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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 15
	:	
THE CASH STORE FINANCIAL SERVICES INC.,	:	
	:	Case No. ___-_____ (___)
Debtor in a Foreign Proceeding.	:	
	:	

DECLARATION OF KEN COLEMAN IN SUPPORT OF VERIFIED PETITION FOR RECOGNITION OF FOREIGN PROCEEDING AND RELATED RELIEF

KEN COLEMAN, pursuant to 28 U.S.C. §1746, hereby declares as follows:

1. I am a member of the firm of Allen & Overy LLP, counsel to FTI Consulting Canada Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of The Cash Store Financial Services Inc., The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., and 1693926 Alberta Ltd. d/b/a "The Title Store",[1] in a proceeding (the "**Canadian Proceeding**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice, Commercial List (the "**Ontario Court**").

[1] CSF, The Cash Store Inc., TCS Cash Store Inc., and Instaloans Inc. have formally changed their names and are currently registered as the following Ontario and Alberta numbered companies: 1511419 Ontario Inc., 1545688 Alberta Inc., 986301 Alberta Inc., and 1152919 Alberta Inc.

2. I respectfully submit this declaration in support of the Monitor's *Verified Petition for Recognition of Foreign Proceeding and Related Relief* and accompanying *Memorandum of Law* (collectively, the "**Chapter 15 Papers**").

3. Attached is a true and correct copy of each of the following orders entered by the Ontario Court in the Canadian Proceeding:

A. *Amended & Restated Initial Order* dated April 15, 2014.

B. *Meetings Order* dated September 30, 2015.

C. *Representation and Notice Approval Order* dated September 30, 2015.

D. *Plan Filing Order* dated October 6, 2015. *

4. Attached is a true and correct copy of each of the following documents filed in the Canadian Proceeding:

E. *Affidavit of Steven Carlstrom* sworn to on April 13, 2014. *

F. *Factum of the Applicants* dated April 13, 2014.

G. *Pre-Filing Report of the Monitor* dated April 14, 2014.

H. *Affidavit of William E. Aziz* sworn to on April 27, 2014.*

I. *Second Report to the Court Submitted by FTI Consulting Canada Inc., in Its Capacity as Monitor* dated April 27, 2014.

J. *Sixth Report to the Court Submitted by FTI Consulting Canada Inc., in Its Capacity as Monitor* dated June 6, 2014. *

K. *Affidavit of William E. Aziz* sworn to on September 23, 2015.*

L. *The Plan of Compromise and Arrangement* dated October 6, 2015.

M. *Information Statement* dated October 7, 2015. *

* Documents marked with an asterisk are annexed hereto without exhibits or appendices. Copies with exhibits and appendices are available on the Monitor's website at http://cfcanada.fticonsulting.com/cashstorefinancial/.

5. Attached is a true and correct copy of each of the following documents filed in the United States District Court for the Southern District of New York in the case captioned *Globis Capital Partners, L.P. et al. v. Cash Store Financial Services, Inc. et al.*, 13 Civ. 3385 (S.D.N.Y.) (VM):

N. Letter dated August 5, 2015 from David S. Hoffner to the Honorable Victor Marrero.

O. Letter dated September 9, 2015 from David S. Hoffner to the Honorable Victor Marrero.

6. Attached is a true and correct copy of the following document:

P. Cash Store Annual Report (September 30, 2013).

7. Attached is a true and correct copy of each of the unpublished or foreign decisions cited in the Chapter 15 Papers:[2]

Q. *In re OAS S.A.*, Case No. 15-10937 (Bankr. S.D.N.Y. Aug. 3, 2015).

R. *In re Sino-Forest Corporation*, No. 13-10361 (Bankr. S.D.N.Y. Apr. 15, 2013).

S. *In re Metcalfe & Mansfield Alternative Investments, et al.*, No. 09-16078 (Bankr. S.D.N.Y. Jan. 5, 2010).

T. *In re Canwest Global Communications Corp., et al.*, No. 09-15994 (Bankr. S.D.N.Y. Nov. 3, 2009).

U. *In re Quebecor World Inc.*, No. 08-13814 (Bankr. S.D.N.Y. Jul. 1, 2009).

V. *In re Nortel Networks Corp.*, No. 09-10164 (Bankr. D. Del. Feb. 27, 2009).

W. *In re Muscletech Research and Development Inc. et al.*, Nos. 06 CIV 538 and 539 (S.D.N.Y. Mar. 2, 2006).

[2] Copies of unpublished or foreign decisions are annexed hereto exclusive of exhibits.

X. *In re Spiegel Inc.*, 2006 Bankr. LEXIS 2158 (Bankr. S.D.N.Y. Aug. 16, 2006).

Y. *In re DBSD-N. Am., Inc.*, 2010 U.S. Dist. LEXIS 33253, 2010 WL 1223109 (S.D.N.Y. Mar. 24, 2010).

Z. *Montreal, Maine & Atlantic Canada Co.*, No. 15-20518 (Bankr. D. Me. Aug. 26, 2015)

8. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: October 16, 2015

/s/ Ken Coleman
Ken Coleman
Counsel for FTI Consulting Canada Inc., as Monitor and Foreign Representative of the Cash Store Financial Services Inc.

EXHIBIT A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL	)	TUESDAY, THE 15TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF APRIL, 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". (each one and all of the above, collectively, the "**Applicants**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, 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 Steven Carlstrom sworn April 14, 2014 and the Exhibits thereto (the "**Carlstrom Affidavit**") and the affidavits of Patrick Riesterer and the Exhibits thereto, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Special Committee, the DIP Lenders (as defined in the Term Sheet (as defined herein)), the *ad hoc* committee of holders of the Applicants' 11 ½% senior secured notes (the "**Ad Hoc Committee**"), FTI Consulting Canada Inc. ("**FTI**") in its capacity as Monitor (the "**Monitor**") and such other counsel present, no other person appearing although duly served as appears from the affidavit of service of Karin Sachar sworn April 14, 2014 and on reading the Pre-Filing

Report of the Monitor dated April 14, 2014, the consent of FTI to act as the Monitor and the First Report of the Monitor dated April 15, 2014,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, and including for greater certainty all cash held in the Applicants' accounts (the "**Property**"), subject to paragraphs 30 to 35. The Applicants shall continue to carry on business and use the Property, the Filing Date Cash (as defined below), and the TPL Funds (as defined in the Carlstrom Affidavit) in a manner consistent with the preservation of its business, including the making of brokered loans pursuant to the Applicants' past practices as modified by paragraphs 30 to 35 (the "**Business**"), and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Carlstrom Affidavit or, with the consent of the Monitor and the DIP Lenders, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay (excluding any change of control or similar termination payments without the consent of the DIP Lenders) and reasonable employee expenses (the reasonableness of which will be determined by the CRO (as defined herein)) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) subject to the terms and conditions of the debtor-in-possession loan facility (the "**DIP Facility**") as provided for in the Term Sheet, including the applicable terms therein that refer to the cash flow projections approved by the DIP Lenders pursuant to the terms and conditions of the DIP Facility (the "**Cash Flow Projections**"), the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Facility and the Term Sheet, including the applicable terms therein that refer to the

Cash Flow Projections, and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) payment for goods or services actually supplied to the Applicants following the date of this Order; and

(c) payments to critical vendors with the consent of the Monitor.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured

creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, other than interest payments under the Credit Agreement (as defined in the Carlstrom Affidavit) and the retention payments to TPLs (as described below), both as set out in the Cash Flow Projections; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the term sheet governing the DIP Facility (the "**Term Sheet**") and the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding $25,000 in any one transaction or $75,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon

between the applicable employer and such employee or, failing such agreement, to deal with the consequences thereof in accordance with applicable law;

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and

(d) in consultation with the Monitor, solicit non-binding letters of intent for the sale of the Business by May 15, 2014 (or such later date as the Applicants, with the consent of the Monitor, shall determine) through Rothschild Inc. ("**Rothschild**"), in furtherance of the mergers and acquisitions process described in the Carlstrom Affidavit,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the

effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

FINANCIAL ADVISORS

14. THIS COURT ORDERS that the engagement of (i) Rothschild as financial advisor pursuant to the engagement letter dated February 20, 2014 and (ii) Conway MacKenzie ("**Conway**") as financial advisor pursuant to the engagement letter dated January 29, 2014 are hereby approved.

15. THIS COURT ORDERS that Rothschild is authorized to continue the mergers and acquisitions process as described in the Carlstrom Affidavit, in consultation with the Monitor.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

16. THIS COURT ORDERS that until and including May 14, 2014, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants, the CRO, or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants, the CRO, or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations,

actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA. For greater

certainty, nothing in this Order shall prejudice the rights of the TPLs under their broker agreements (the "**Broker Agreements**") with the Applicants, or their right to assert any arguments in this proceeding in relation to the matters contemplated hereby.

PROCEEDINGS AGAINST CRO, DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

22. THIS COURT ORDERS that no member of the Special Committee nor the CRO shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of such member of the Special Committee or the CRO, as the case may be.

23. THIS COURT ORDERS that BlueTree Advisors Inc. be and is hereby appointed Chief Restructuring Officer of the Applicants ("**CRO**"). The CRO shall have the authority to direct the operations and management of the Applicants and the Restructuring, and the officers (including the executive management team of the Applicants) of the Applicants shall report to the CRO. For greater certainty, the CRO shall be entitled to exercise any powers of the Applicants set out herein, to the exclusion of any other Person (including any board member of the Applicants). The CRO shall provide timely updates to the Monitor in respect of its activities.

24. THIS COURT ORDERS that the CRO shall not be or be deemed to be a director, officer or employee of any of the Applicants.

25. THIS COURT ORDERS that (i) any indemnification obligations of the Applicants in favour of the CRO and (ii) the payment obligations of the Applicants to the CRO shall be entitled to the benefit of and shall form part of the Administration Charge set out herein.

26. THIS COURT ORDERS that any claims of the CRO shall be treated as unaffected in any plan of compromise and arrangement filed by the Applicants under the CCAA, any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA") or any other restructuring.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

27. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

28. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $2,500,000 as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraphs 53 and 55 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 27 of this Order.

THE THIRD PARTY LENDERS

30. THE COURT ORDERS that the TPLs (as defined in the Carlstrom Affidavit) shall be entitled to the benefit of and are hereby granted a charge (the "**TPL Charge**") on the Property, which charge shall equal the amount of the Applicants' cash-on-hand as of the effective time of the Initial Order granted in these proceedings (the "**Filing Date Cash**"). The TPLs shall only be entitled to the benefit of the TPL Charge in the event that this Court determines that the TPLs were entitled to the Filing Date Cash in priority to any other Person, or that the Filing Date Cash was not Property as of the effective time of the Initial Order granted in these proceedings.

Notwithstanding the granting of the TPL Charge, subject to the reservation of rights in paragraph 20, above, nothing in this order shall grant the TPLs any new, additional, or greater rights to the Filing Date Cash than the TPLs would have had immediately prior to the effective time of the Initial Order granted in these proceedings.

31. THIS COURT ORDERS and directs that the Applicants shall keep records of all receipts and disbursements in connection with the TPL brokered loans (the "**TPL Brokered Loans**") and any amounts received by the Applicants in respect of same subsequent to the effective time of the Initial Order granted in these proceedings (the "**TPL Post-Filing Receipts**"), separate and apart from the Applicants' direct loans, and shall report to the TPLs with respect to the TPL Post-Filing Receipts in a manner and on a basis as agreed upon by the relevant TPL, the Applicants and the Monitor, or as subsequently ordered by this Court. The Applicants shall provide information reasonably requested by a TPL in respect of its TPL Brokered Loans and funds paid to the Applicants by the TPLs, in each case whether before or after the effective time of the Initial Order granted in these proceedings and shall give the TPLs or their agents reasonable access to their records for the purpose of preparing an accounting of such TPL Brokered Loan and funds and monitoring the Applicants' compliance with the Broker Agreements. In both cases the reasonableness of such requests shall be determined by the CRO and the Monitor.

32. THIS COURT ORDERS that the Applicants shall continue to receive amounts in connection with the repayment of TPL Brokered Loans and shall be entitled to use such TPL Post-Filing Receipts for the sole purpose of brokering new TPL Brokered Loans. The Applicants shall be entitled to continue their practice of depositing repayments of TPL Brokered Loans into the Applicants' general bank accounts; however, no party (including the Applicants, TPLs and any lender, including a DIP lender), shall be entitled to rely on such treatment of TPL Post-Filing Receipts in connection with the determination of the relevant TPL's entitlement to, or ownership of, any TPL Post-Filing Receipts, the TPL Net Receipt Minimum Balance (as defined below) or any TPL Brokered Loans advanced therefrom. Moreover, the treatment of the TPL Post-Filing Receipts set out in this Order shall be without prejudice to any argument by a TPL that but for the CCAA Proceedings such TPL would have required the Applicants to physically segregate such funds.

33. THIS COURT ORDERS that the Applicants shall maintain a minimum cash balance in an amount equal to the aggregate amount of any TPL Post-Filing Receipts less the aggregate amount of any Post-Filing TPL Receipts subsequently redeployed, from time to time, as new TPL Brokered Loans (the "**TPL Net Receipt Minimum Balance**").

34. THIS COURT ORDERS that to the extent a TPL claims a priority entitlement to the TPL Brokered Loans in existence at or after the effective time of the Initial Order granted in these proceedings and/or to the Post-Filing TPL Receipts, the TPL's entitlement thereto shall be determined based on the legal rights as they existed immediately prior to the effective time of the Initial Order granted in these proceedings, including that each TPL's entitlement to any portion of the TPL Net Receipts Minimum Balance will be determined by reference to such TPL's entitlement to and interest in the TPL Brokered Loans giving rise to such portion of Post-Filing TPL Receipts. To the extent a TPL is able to establish a trust, ownership or other proprietary interest in any Post-Filing TPL Receipts and/or any TPL Brokered Loans such that they do not form part of the Property of the Applicants then, for greater certainty, the Charges (defined below) shall not apply to such TPL's portion of the TPL Net Receipt Minimum Balance or such TPL's then-existing TPL Brokered Loans to the extent of such established entitlement. Notwithstanding the foregoing, nothing in this paragraph shall affect the rights of any TPL arising from or related to any registration to preserve or protect a security interest pursuant to paragraph 17.

35. THIS COURT ORDERS the Applicants shall continue to ensure that TPLs receive a return of approximately 17.5% per year (or such lesser amount as may be agreed to) with respect to TPL Brokered Loans that are repaid and available for redeployment from and after the Initial Order date and any capital protection (as described in the Carlstrom Affidavit).

APPOINTMENT OF MONITOR

36. THIS COURT ORDERS that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the

assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

37. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lenders and their counsel at the times required under the DIP Facility, of financial and other information as agreed to between the Applicants and the DIP Lenders which may be used in these proceedings, including reporting on a basis as agreed with the DIP Lenders under the DIP Facility;

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed with the Monitor and delivered to the DIP Lenders and their counsel on a periodic basis, as provided under the DIP Facility;

(e) advise the Applicants in their development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(h) assist the Applicants, to the extent required by the Applicants, with any and all restructuring activities and/or any sale of the Property and the Business or any part thereof;

(i) assist Rothschild with respect to the mergers and acquisitions process of the Applicants' Business;

(j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

38. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

39. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

40. THIS COURT ORDERS that the Monitor shall provide any creditor of the Applicants and the DIP Lenders with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

41. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

42. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Facility and the Term Sheet, including the applicable terms therein that refer to the Cash Flow Projections, the CRO, the Monitor, counsel to the Monitor, counsel to the Applicants, counsel to the Special Committee and the CRO, Rothschild, Conway, Michele McCarthy (the "**CCRO**") and counsel to the DIP Lenders and Coliseum Capital Management, LLC (in its capacity as Agent under the DIP Facility (the "**Agent**")) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the CRO, the Monitor, counsel to the Monitor, counsel to the Applicants, counsel to the Special Committee and the CRO, Rothschild, Conway, and counsel to the DIP Lenders and Agent on a weekly basis, or on such basis as otherwise agreed by the Applicants and the applicable payee. The Applicants shall also be entitled to pay the reasonable fees and disbursements of Goodmans LLP, Houlihan Capital LLC and McMillan LLP.

43. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

44. THIS COURT ORDERS that the CRO, the Monitor, counsel to the Monitor, the Applicants' counsel, the Special Committee's and CRO's counsel, Rothschild, Conway, the

CCRO, counsel to the DIP Lenders and Agent, Goodmans LLP and Houlihan Capital LLC shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,500,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 53 and 55 hereof.

DIP FINANCING

45. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under the DIP Facility from the DIP Lenders in order to finance the Applicants' working capital requirements, other general corporate purposes and capital expenditures and allow them to make such other payments as permitted under this Order and the Term Sheet, provided that borrowings under the DIP Facility shall not exceed the amounts prescribed in the Term Sheet.

46. THIS COURT ORDERS that the DIP Facility shall be on the terms and subject to the conditions set forth in the Term Sheet.

47. THIS COURT ORDERS that the DIP Facility and the Term Sheet be and are hereby approved and the Applicants are hereby authorized and directed to execute and deliver the Term Sheet.

48. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the Term Sheet and Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

49. THIS COURT ORDERS that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Priority Charge**") on the Property as security for any and all obligations of the Applicants under the DIP Facility, the Term Sheet and the Definitive

Documents (including on account of principal, interest, fees, expenses and other liabilities) (the aggregate of all such obligations being the "**DIP Obligations**"), which DIP Priority Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time. The DIP Priority Charge shall not secure an obligation that exists before this Order is made. The DIP Priority Charge shall have the priority set out in paragraphs 53 and 55 hereof.

50. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Priority Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Term Sheet, the other Definitive Documents or the DIP Priority Charge, (A) the DIP Lenders may cease making advances to the Applicants, (B) the DIP Lenders may (i) set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the Term Sheet, the Definitive Documents or the DIP Priority Charge, and make demand, accelerate payment, and (ii) following an Order of the Court, granted on at least two (2) days' notice to the Applicants and the Monitor, exercise any and all of their respective rights and remedies against the Applicants or the Property under or pursuant to the Term Sheet, the other Definitive Documents, the DIP Priority Charge, or the *Personal Property Security Act* of Manitoba, *Personal Property Security Act* of Alberta, *Personal Property Security Act* of Ontario or any other legislation of similar effect applicable, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

51. THIS COURT ORDERS AND DECLARES that the DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA,

or any proposal filed by the Applicants under the BIA ("**Proposal**"), with respect to any advances made under the DIP Facility, the Term Sheet and the Definitive Documents.

52. THIS COURT ORDERS that the obligations under the DIP Facility, Term Sheet and the Definitive Documents shall be treated as unaffected by any Plan or Proposal and the Applicants shall not file a Plan in these Proceedings or any Proposal that does not provide for the indefeasible payment in full in cash of the obligations outstanding in respect of the DIP Facility, the Term Sheet and the Definitive Documents as a pre-condition to the implementation of any such Plan or Proposal.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

53. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the DIP Priority 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 – the liens securing obligations under the Credit Agreement;

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

54. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the DIP Priority Charge or the TPL Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

55. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge, the DIP Priority Charge, and the TPL Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security

interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that the Directors' Subordinated Charge shall rank behind the liens securing obligations under the Credit Agreement.

56. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, the TPL Charge or the DIP Priority Charge, unless the Applicants also obtains the prior written consent of the Monitor, the DIP Lenders and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

57. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the TPL Charge, the DIP Loan Agreement, the Definitive Documents and the DIP Priority Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants' entering

into the Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

58. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

59. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Edmonton *Journal*, the Calgary *Sun* and the *Globe and Mail* a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

60. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.cfcanada.fticonsulting.com/cashstorefinancial.

61. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or

distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

62. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

63. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

64. 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.

65. 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.

66. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided however, that the DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the Term Sheet, the DIP Priority Charge and the Definitive Documents up to and including the date this Order may be varied or amended.

67. THIS COURT ORDERS that the come-back hearing is scheduled for April 28, 2014.

68. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 17 2014

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., and 1693926 Alberta Ltd. Doing Business as "The Title Store"

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

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Tel: (416) 862-4908

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Counsel to the Special Committee of the Board of Directors of Cash Store Financial Services Inc.

EXHIBIT B

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE REGIONAL	)	WEDNESDAY, THE 30TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF SEPTEMBER, 2015

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 INC., 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"

APPLICANTS

ORDER
(MEETINGS 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 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn September 23, 2015 and the Exhibits attached thereto (the "**Aziz Affidavit**"), the Nineteenth Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "**Monitor**") and the affidavit of Bradley J. Owen sworn September 29, 2015 and the Exhibits attached thereto, and on hearing the submissions of counsel for the Chief Restructuring Officer (the "**CRO**"), the DIP Lenders, the Monitor, the Ad Hoc Committee, KPMG LLP and such other counsel present, no other person appearing although duly served as appears from the affidavit of service sworn and filed:

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.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise noted, capitalized terms shall be as defined in this Order, in the Plan of Compromise and Arrangement in respect of the Applicants (the "**Plan**"), which is attached as Exhibit A to the Aziz Affidavit, or in the Aziz Affidavit.

MONITOR'S ROLE

3. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under (i) the CCAA, (ii) the Initial Order, and (iii) any other Order of the Court, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meetings Order.

4. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Meetings Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, or as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Meetings Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

5. **THIS COURT ORDERS** that the Monitor and the Applicants are authorized to retain such agents as they deem to be advisable to assist them in connection with calling and conducting the Meetings, including with respect to the distribution of the Information Package, the identification of the applicable Affected Creditors and the solicitation of proxies from Persons entitled to vote at the Meetings.

PLAN OF COMPROMISE AND ARRANGEMENT

6. **THIS COURT ORDERS** that the Applicants shall return to Court on or before Tuesday, October 6, 2015 to seek an order of this Court accepting the filing of the Plan with the Court and authorizing the Applicants to seek approval of the Plan by the Affected Creditors at the Meetings in the manner set forth herein (the "**Plan Filing Order**").

7. **THIS COURT ORDERS** that the Applicants be and are hereby authorized to amend, modify and/or supplement the Plan, provided that any such amendment, modification or supplement shall be made in accordance with the terms of Article 11.4 of the Plan.

NOTICE OF MEETINGS

8. **THIS COURT ORDERS** that each of the following, in substantially the forms attached to this Order as Schedules "A", "B", "C" "D" and "E", respectively, are hereby approved:

(a) the Applicant's information statement (the "**Information Statement**");

(b) the form of notice of the Meetings and hearing for approval of the Sanction Order (the "**Notice of Meeting**");

(c) the form of proxy for the Senior Secured Lenders (the "**Senior Lender Proxy**"); and

(d) the form voting instruction form for the Secured Noteholders (the "**Noteholder Voting Instruction Form**"); and

(e) the form of Noteholder Proxy for use by Participant Holders (the "**Noteholder Proxy**" and, together with the Senior Lender Proxy, the "**Creditor Proxies**") ,

(collectively, the "**Information Package**").

9. **THIS COURT ORDERS** that, notwithstanding paragraph 8 above, but subject to paragraph 7, the Applicants and the Monitor, with the consent of the Ad Hoc Committee, may from time to time make such minor changes to the documents in the Information Package as the Applicants and the Monitor consider necessary or desirable or to conform the content thereof to the terms of the Plan, this Order, the Plan Filing Order or any further Orders of the Court.

10. **THIS COURT ORDERS** that, as soon as practicable after the granting of the Plan Filing Order, the Monitor shall cause a copy of the Information Package (and any amendments made thereto in accordance with paragraph 9 hereof), this Order and the Plan Filing Order to be posted on the Monitor's website at http://cfcanada.fticonsulting.com/cashstorefinancial (the "**Monitor's Website**"). The Monitor shall ensure that the Information Package (and any amendments made thereto in accordance with paragraph 9 hereof) remains posted on the Monitor's Website until at least one (1) Business Day after the Plan Implementation Date. As soon as practicable after the granting of the Plan Filing Order, the Monitor shall also send copies of the Information Package by regular mail, facsimile, courier or e-mail to (i) all parties who have charges, security interests or claims evidenced by registrations pursuant to any personal property registry system in any Province in Canada (collectively, the "**PPSA Registrants**"), and (ii) Canada Revenue Agency and the ministry of finance or similar governmental agency for each Province in Canada (collectively, the "**Crown Agencies**").

11. **THIS COURT ORDERS** that, as soon as practicable after the granting of the Plan Filing Order, the Monitor shall use reasonable efforts to cause the Notice of Meeting to be published for a period of one (1) Business Day in The Globe and Mail (National Edition), The Edmonton Journal, The Australian (Australia) and The Daily Telegraph (UK) (the "**Newspaper Publication**"), provided that the Monitor shall be entitled to make such amendments or abridgments to the Notice of Meeting as are reasonable, in its discretion, for the purpose of publishing the Notice of Meeting in the foregoing newspapers.

SECURED NOTEHOLDER SOLICITATION PROCESS

12. **THIS COURT ORDERS** that the record date for the purposes of determining which Secured Noteholders are entitled to receive notice of the Secured Noteholders Meeting and vote at the Secured Noteholders Meeting with respect to their Secured Noteholder Claim shall be 5:00 p.m. (Toronto time) on September 28, 2015 (the "**Voting Record Date**"), without prejudice to the right of the Applicants, with the consent of the Monitor and the Ad Hoc Committee, to set any other record date or dates for the purpose of distributions under the Plan or other purposes.

13. **THIS COURT ORDERS** that, unless already provided, as soon as practicable after the granting of the Plan Filing Order, the Monitor shall send via email to the Indenture Trustee, an electronic copy of the Information Package (other than the Senior Lender Proxy) and the

Indenture Trustee shall provide the Monitor with a list showing the names and addresses of all persons who are registered holders of the Notes and hold the notes in physical form (the "**Physical Holders**") and the principal amount of Secured Notes held by each Physical Holder as at the Voting Record Date (the "**Physical Holders List**").

14. **THIS COURT ORDERS** that, unless already provided, as soon as practicable after the granting of the Plan Filing Order, the Applicants shall provide the Monitor with a list showing the names and addresses of all persons who are Depository participants (each a "**Participant Holder**") and the principal amount of Secured Notes held by each Participant Holder as at the Voting Record Date (the "**Participant Holders List**").

15. **THIS COURT ORDERS** that, upon receipt by the Monitor of the Participant Holders List or other information identifying Participant Holders, the Monitor shall promptly contact each Participant Holder to determine the number of Information Packages for Beneficial Noteholders such Participant Holder requires in order to provide one to each Beneficial Noteholder that has an account (directly or indirectly through an agent or custodian) with the Participant Holder, in which case each Participant Holder shall provide to the Monitor a response within three (3) Business Days of receipt of this information request.

16. **THIS COURT ORDERS** that:

(a) Upon receiving from a Participant Holder the information referred to in paragraph 15, the Monitor shall send the Information Package(s) (other than the Senior Lender Proxy) to such Participant Holder via e-mail for distribution to the applicable Beneficial Noteholders by such Participant Holder;

(b) As soon as practicable after receiving the Physical Holders List, the Monitor shall send the Information Package(s) (other than the Senior Lender Proxy) to such Physical Holders by regular mail, facsimile, courier or e-mail; and

(c) As soon as practicable after the Applicants or the Monitor receives a request from any person claiming to be a Beneficial Noteholder, the Monitor shall send via email to such Beneficial Noteholder an electronic copy of the Information Package (other than the Senior Lender Proxy).

17. **THIS COURT ORDERS** that each Participant Holder shall within three (3) Business Days of receipt of an Information Package complete the information in item 1 of the Noteholder Voting Instruction Form for each Beneficial Holder on whose behalf it holds the Secured Notes and deliver to each such Beneficial Holder the Noteholder Voting Instruction Form and one copy of the Information Statement and the Notice of Meeting. The Participant Holder shall take any other action required to enable such Beneficial Noteholder to return to the Participant Holder a completed Noteholder Voting Instruction Form by October 28, 2015 (the "**Instruction Form Deadline**"). The Participant Holder shall verify the principal amount of Secured Notes held by such Beneficial Noteholder on the Voting Record Date as set forth on its Noteholder Voting Instruction Form and include that claim on the Participant Holder's Noteholder Proxy for delivery to the Monitor as set out on the Noteholder Proxy by no later than the Voting Deadline.

18. **THIS COURT ORDERS** that where (i) a Participant Holder or its agent has a standard practice for distribution of meeting materials to Beneficial Noteholders and for the gathering of information and proxies or voting instructions from Beneficial Noteholders; (ii) the Participant Holder has discussed such standards practice in advance with the Monitor; and (iii) such standard practice is acceptable to the Monitor, such Participant Holder or its agent may, in lieu of following the procedure set out in paragraphs 16 and 17 above, follow such standard practice provided that all Noteholder Proxies are received by the Monitor no later than the Voting Deadline.

19. **THIS COURT ORDERS** that with respect to votes to be cast at the Secured Noteholder Meeting by a Secured Noteholder, it is the Beneficial Noteholder who is entitled to cast such votes as an Affected Creditor. Each Beneficial Noteholder that casts a vote at the Secured Noteholders Meeting in accordance with this Meetings Order shall be counted as an individual Affected Creditor, even if that Beneficial Noteholder holds Secured Notes through more than one Participant Holder.

20. **THIS COURT ORDERS** that the Monitor may amend the solicitation process for Secured Noteholders as may be deemed appropriate by the Monitor in consultation with counsel for the Applicants in order to ensure that all Beneficial Noteholders who wish to vote at the Secured Noteholder Meeting are able to vote at such Meeting.

SENIOR SECURED LENDER SOLICITATION PROCESS

21. **THIS COURT ORDERS** that, as soon as practicable after the granting of the Plan Filing Order, the Monitor shall send the Information Package (without the Noteholder Voting Instruction Form and the Noteholder Proxy) to each of the Senior Secured Lenders by regular mail, facsimile, courier or e-mail, to be completed by the Senior Secured Lenders and returned to the Monitor no later than the Voting Deadline.

NOTICE SUFFICIENT

22. **THIS COURT ORDERS** that the Monitor's fulfillment of the notice, delivery and Monitor's Website posting requirements set out in this Meetings Order shall constitute good and sufficient notice, service and delivery thereof on all Persons who may be entitled to receive notice, service or delivery thereof or who may wish to be present or vote (in person or by proxy) at the Meetings, and that no other form of notice, service or delivery need be given or made on such Persons and no other document or material need be served on such Persons.

23. **THIS COURT ORDERS** that the non-receipt of a copy of the Information Package beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the Information Package as a result of events beyond the reasonable control of the Monitor (including, without limitation, any inability to use postal services) shall not constitute a breach of this Order, and shall not invalidate any resolution passed or proceedings taken at the Meetings, but if any such failure or omission is brought to the attention of the Monitor, then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

THE MEETINGS

24. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to call, hold and conduct the Meetings at such place as is specified in the Plan Filing Order on November 10, 2015, or such other date as may be agreed upon by the Applicants, the Monitor and the Ad Hoc Committee (the "**Meeting Date**") for the purpose of seeking approval of the Plan by each of the Senior Lender Class and the Secured Noteholder Class in the manner set forth herein.

25. **THIS COURT ORDERS** that the only Persons entitled to notice of, to attend or to speak at the Meetings are the Affected Creditors (or their respective duly appointed proxyholders), representatives of the Monitor, the Applicants, the CRO, the Ad Hoc Committee, the Indenture Trustee, all such parties' financial and legal advisors, the Chair, Secretary and the Scrutineers. Any other person may be admitted to the Meeting only by invitation of the Applicants or the Chair.

26. **THIS COURT ORDERS** that Greg Watson or another representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meetings (the "**Chair**") and, subject to this Meetings Order or any further Order of the Court, shall decide all matters relating to the conduct of the Meetings.

27. **THIS COURT ORDERS** that the Monitor may appoint one or more scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Meetings (the "**Scrutineer**"). One or more people designated by the Monitor shall act as secretary at the Meetings (the "**Secretary**").

THE SENIOR LENDER CLASS

28. **THIS COURT ORDERS** that, for the purposes of voting at the meeting of the Senior Lenders (the "**Senior Lender Meeting**"), each Senior Secured Lender shall be entitled to one vote as a member of the Senior Lender Class.

29. **THIS COURT ORDERS** that, for the purposes of voting at the Senior Lender Meeting:

(a) the voting claim of Coliseum shall be deemed to be equal to the Coliseum Senior Secured Credit Agreement Claim;

(b) the voting claim of 8028702 shall be deemed to be equal to the 8028702 Senior Secured Credit Agreement Claim; and

(c) the voting claim of 424187 shall be deemed to be equal to the 424187 Senior Secured Credit Agreement Claim (collectively, with the Coliseum Senior Secured Credit Agreement Claim and the ~~Coliseum~~ 8028702 Senior Secured Credit Agreement Claim, the "**Senior Lender Claims**" and each a "**Senior Lender Claim**").

30. **THIS COURT ORDERS** that for the purpose of calculating the two-thirds majority in value of the voting claims at the Senior Lender Meeting, the aggregate amount of Senior Lender Claims that vote in favour of the Plan (in person or by proxy) at the Senior Lender Meeting shall be divided by the aggregate amount of all Senior Lender Claims held by all Senior Secured Lenders that vote at the Senior Lender Meeting.

THE SECURED NOTEHOLDER CLASS

31. **THIS COURT ORDERS** that, for the purposes of voting at the meeting of the Secured Noteholders (the "**Secured Noteholder Meeting**"), each Beneficial Noteholder shall be entitled to one vote as a member of the Secured Noteholder Class.

32. **THIS COURT ORDERS** that, for the purposes of voting at the Secured Noteholder Meeting, the voting claim of each Beneficial Noteholder shall be equal to its Secured Noteholder Claim, as at the Voting Record Date.

33. **THIS COURT ORDERS** that for the purpose of calculating the two-thirds majority in value of the voting claims at the Secured Noteholder Meeting, the aggregate amount of Secured Noteholder Claims that vote in favour of the Plan (in person or by proxy) at the Secured Noteholder Meeting shall be divided by the aggregate amount of all Secured Noteholder Claims held by all Beneficial Noteholders that vote at the Secured Noteholder Meeting.

MEETING PROCEDURES

34. **THIS COURT ORDERS** that the quorum required at the Senior Lender Meeting shall be one Senior Lender (present in person or by proxy) and the quorum at the Secured Noteholder Meeting shall be one Secured Noteholder (present in person or by proxy). If the requisite quorum is not present at the applicable Meeting, then such meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.

35. **THIS COURT ORDERS** that, for greater certainty, and without limiting the generality of anything in this Order, a Person holding an Unaffected Claim is not entitled to vote on the Plan in respect of such Unaffected Claim at any Meeting and, except as otherwise permitted herein, shall not be entitled to attend a Meeting.

36. **THIS COURT ORDERS** that, subject to paragraph 34, a Meeting shall be adjourned to such date, time and place as may be designated by the Chair or the Monitor, if:

(a) the requisite quorum is not present at such meeting; or

(b) prior to or during the Meeting, the Chair or the Monitor, with the consent of the Applicants and the Ad Hoc Committee, otherwise decides to adjourn such Meeting.

The announcement of the adjournment by the Chair at such Meeting (if the adjournment is during a Meeting) and written notice to the Service List with respect to such adjournment and the posting of such notice to the Monitor's Website shall constitute sufficient notice of the adjournment and neither the Applicants nor the Monitor shall have any obligation to give any other or further notice to any Person of the adjourned Meeting.

37. **THIS COURT ORDERS** that the Chair be and is hereby authorized to direct a vote at each Meeting, by such means as the Chair may consider appropriate, with respect to: (i) a resolution to approve the Plan and any amendments thereto; and (ii) any other resolutions as the Chair may consider appropriate in consultation with the Applicants.

38. **THIS COURT ORDERS** that every question submitted to a Meeting, except to approve the Plan, shall be decided by a vote of a majority in value of the Affected Creditors present in person or by proxy at such Meeting.

39. **THIS COURT ORDERS** that following the votes at the Meetings, the Monitor or the Scrutineers shall tabulate the votes in each Affected Creditor Class and the Monitor shall determine whether the Plan has been accepted by the majorities of that Affected Creditor Class required pursuant to section 6 of the CCAA (the "**Required Majorities**").

40. **THIS COURT ORDERS** that the Monitor shall file a report with this Court after the Meetings or any adjournment thereof, as applicable, with respect to the results of the votes, including whether the Plan has been accepted by the Required Majorities in each Affected Creditor Class, and that a copy of the Monitor's Report regarding the Meetings and the Plan shall be posted on the Monitor's Website prior to the Sanction Hearing.

41. **THIS COURT ORDERS** that the result of any vote conducted at a Meeting of an Affected Creditor Class shall be binding upon all Affected Creditors of that Affected Creditor Class, whether or not any such Creditor was present or voted at the Meeting.

VOTING BY PROXIES

42. **THIS COURT ORDERS** that all Creditor Proxies submitted in respect of the Meetings must be submitted to the Monitor on or before 5:00 p.m. (eastern time) on November 4, 2015 (the "**Voting Deadline**"). The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Creditor Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith.

43. **THIS COURT ORDERS** that, if there is any dispute as to any Beneficial Noteholder's Secured Noteholder Claim, the Monitor shall request the Participant Holder who maintains book entry records or other records evidencing such Beneficial Noteholder's ownership of Secured Notes to confirm and such Participant Holder shall confirm with the Monitor the principal amount of Secured Notes held by such Beneficial Noteholder. If any such dispute is not resolved by such Beneficial Noteholder and the Monitor by the date of the Secured Noteholder Meeting, the Monitor shall tabulate the vote for or against the Plan in respect of the disputed Secured Noteholder Claim separately. If (i) any such dispute remains unresolved as of the date of the Sanction Hearing; and (ii) the approval or non-approval of the Plan would be affected by the votes cast in respect of such disputed Secured Noteholder Claim, then such results shall be reported to the Court at the Sanction Hearing and, if necessary, the Monitor may make a request to the Court for directions.

44. **THIS COURT ORDERS** that for the purpose of tabulating the votes cast on any matter that may come before the Meetings, the Chair shall be entitled to rely on any vote cast by a holder of a Creditor Proxy that has been duly submitted to the Monitor in the manner set forth in this Meetings Order without independent investigation.

TRANSFER OR ASSIGNMENT OF CLAIMS

45. **THIS COURT ORDERS** that an Affected Creditor may transfer or assign the whole (but not a part) of its Affected Claim prior to the Meetings. If an Affected Creditor transfers or

assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the applicable Meeting unless satisfactory notice of and proof of transfer or assignment has been delivered to the Monitor no later than seven (7) days prior to the Meeting Date.

SANCTION HEARING AND ORDER

46. **THIS COURT ORDERS** that if the Plan has been accepted by the Required Majorities in each Affected Creditor Class, the Applicants are authorized to bring a motion seeking the Sanction Order on November 19, 2015, or as soon thereafter as the matter can be heard (the "**Sanction Hearing**").

47. **THIS COURT ORDERS** that service of this Meetings Order and the Plan Filing Order by the Monitor and the Applicants to the parties on the Service List, the delivery of the Information Package to the PPSA Registrants and the Crown Agencies, the Newspaper Publication and the posting of this Order and the Plan Filing Order to the Monitor's Website shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who may be entitled to receive such service and no other form of service or notice need be made on such Persons and no other materials need be served on such Persons in respect of the Sanction Hearing, except that any party shall also serve the Service List with any additional materials that it intends to use in support of the Sanction Hearing by no later than November 9, 2015.

48. **THIS COURT ORDERS** that any Person who wishes to oppose the motion for the Sanction Order shall serve upon the lawyers for each of the Applicants, the Monitor and the Ad Hoc Committee and upon all other parties on the Service List, and file with this Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than 5:00 p.m. (Toronto time) on the date that is seven (7) days prior to the Sanction Hearing.

49. **THIS COURT ORDERS** that the Applicants are authorized to adjourn the Sanction Hearing with the prior consent of the Monitor and the Ad Hoc Committee, and if the Sanction Hearing is adjourned, only those Persons who are listed on the Service List shall be served with notice of the adjourned date of the Sanction Hearing, provided however that the Monitor shall post such notice on the Monitor's Website.

GENERAL

50. **THIS COURT ORDERS** that the Applicants and the Monitor may, in their discretion, generally or in individual circumstances, waive in writing the time limits imposed on any Affected Creditor under this Order if each of the Applicants and the Monitor deem it advisable to do so, without prejudice to the requirement that all other Affected Creditors must comply with the terms of this Order.

51. **THIS COURT ORDERS** that any notice or other communication to be given pursuant to this Order by or on behalf of any Person to the Monitor shall be in writing and will be sufficiently given only if by mail, courier, e-mail, fax or hand-delivery addressed to:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Greg Watson
Email: greg.watson@fticonsulting.com
Fax: (416) 649-8101

and with a copy by email or fax (which shall not be deemed notice) to:

McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Geoff Hall
Email: ghall@mccarthy.ca
Fax: (416) 601-7856

52. **THIS COURT ORDERS** that notwithstanding any provision herein to the contrary, the Monitor shall be entitled to rely upon any communication given pursuant to this Meetings Order.

53. **THIS COURT ORDERS** that if any deadline set out in this Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

54. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and directions

concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

55. **THIS COURT ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

56. **THIS COURT ORDERS** that the Applicants shall seek further advice and direction from the Court regarding the Meetings and any notice to be given in respect thereof in the event that the Plan Filing Order is not granted.

EFFECT, RECOGNITION AND ASSISTANCE

57. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

58. **THIS COURT REQUESTS** the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. 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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 30 2015

SCHEDULE "A"

INFORMATION STATEMENT

SCHEDULE "B"

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 INC., 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" (COLLECTIVELY, THE "APPLICANTS")

NOTICE OF MEETINGS OF CREDITORS OF THE APPLICANTS

NOTICE IS HEREBY GIVEN that meetings (the "**Meetings**") of creditors of the Applicants entitled to vote on a plan of compromise and arrangement (the "**Plan**") proposed by the Applicants under the *Companies Creditors' Arrangement Act* (the "**CCAA**") will be held for the following purposes:

(1) to consider and, if deemed advisable, to pass, with or without variation, a resolution to approve the Plan; and

(2) to transact such other business as may properly come before the Meetings or any adjournment thereof.

The Meetings are being held pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 30, 2015 (the "**Meetings Order**"). Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Meetings Order.

NOTICE IS ALSO HEREBY GIVEN that the Meetings Order established the procedures for the Applicants to call, hold and conduct Meetings of the holders of Affected Creditor Claims to consider and pass resolutions, if thought advisable, approving the Plan and to transact such other business as may be properly brought before the Meetings. For the purpose of voting on and receiving distributions pursuant to the Plan, the holders of Claims will be grouped into two classes, being the Senior Lender Class and the Secured Noteholder Class.

NOTICE IS ALSO HEREBY GIVEN that the Meetings will be held at the following dates, times and location:

Date: November 10, 2015

Time	9:00 a.m. – Senior Lender Class 10:00 a.m. – Secured Noteholder Class
Location:	●

Subject to paragraph 25 of the Meetings Order, only those creditors with Affected Claims (each an "**Eligible Voting Creditor**") will be eligible to attend the applicable Meetings and vote on a resolution to approve the Plan. A holder of an Unaffected Claim, as defined in the Plan, shall not be entitled to attend or vote at the Meetings in respect of such Unaffected Claim. September 28, 2015 has been set as the record date for holders of Secured Notes to determine entitlement to vote at the Meetings.

Any Eligible Voting Creditor who is unable to attend the applicable Meeting may vote by proxy, subject to the terms of the Meetings Order. Further, any Eligible Voting Creditor who is not an individual may only attend and vote at the applicable Meeting if a proxy holder has been appointed to act on its behalf at such Meeting. Secured Noteholders must vote by providing instructions to their respective nominees/intermediaries in accordance with the terms of the Meetings Order.

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at the Meetings by the Required Majorities of the Affected Creditors and other necessary conditions are met, the Applicants intend to make an application to the Court on November 19, 2015 (the "**Sanction Hearing**") seeking an order sanctioning the Plan pursuant to the CCAA (the "**Sanction Order**"). Among other things, the Plan provides for the distribution of the proceeds of the Applicants' remaining assets to the Senior Lender Class and the Secured Noteholder Class. Any person wishing to oppose the application for the Sanction Order must serve a copy of the materials to be used to object to the Plan and oppose the application and setting out the basis for such opposition upon the lawyers for the Applicants, the Monitor, and the Ad Hoc Committee as well as those parties listed on the Service List posted on the Monitor's website. Such materials must be served by not later than November 12, 2015, or, if the hearing for the Sanction Order is delayed, by no later than 5:00pm the date that is 7 days prior to the Sanction Hearing. **If you do not file a timely objection and appear at the Sanction Hearing, either in person or by your lawyer, the CCAA Court may grant relief that bars or otherwise impairs any rights you may have against, or in respect of, the Applicants and the Released Parties (as defined in the Plan).**

NOTICE IS ALSO HEREBY GIVEN that in order for the Plan to become effective:

i. the Plan must be approved by the Required Majorities of Affected Creditors entitled to vote and voting on the Plan as required under the CCAA and in accordance with the terms of the Meetings Order;

ii. the Plan must be sanctioned by the Court; and

iii. the conditions to implementation and effectiveness of the Plan as set out in the Plan and summarized in the Information Statement must be satisfied or waived.

Additional copies of the Information Package, including the Information Statement and the Plan, may be obtained from the Monitor's Website at http://cfcanada.fticonsulting.com/cashstorefinancial.

DATED at Toronto, Ontario, this ___ day of ●, 2015.

SCHEDULE "C"

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 INC., 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" (COLLECTIVELY, THE "APPLICANTS")

SENIOR LENDER PROXY

VOTING DEADLINE DATE: November 4, 2015 BEFORE 5:00 P.M. EASTERN TIME

Before completing this form of proxy, please read carefully the accompanying instructions for information respecting the proper completion and return of this proxy. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Applicants dated as of September **[30]**, 2015 (as may be amended, restated or supplemented from time to time, the "**Plan**") filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). In accordance with the Plan, this proxy may only be filed by Senior Secured Lenders. Senior Secured Lenders must complete the Senior Lender Proxy with respect to their applicable portion of the Senior Secured Credit Agreement Claim as set forth in the Plan.

THE UNDERSIGNED SENIOR SECURED LENDER hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Greg Watson of FTI Consulting Canada Inc., in its capacity as Monitor, or a person appointed by Greg Watson.

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Senior Secured Lender at the Senior Lender Meeting to be held in connection with the Plan and at any

and all adjournments, postponements or other rescheduling of such Senior Lender Meeting, and to vote the amount of the Senior Secured Credit Agreement Claim for voting purposes as set forth and accepted for voting purposes in accordance with the Meetings Order and the Plan as follows:

1. (mark one only):

☐ Vote **FOR** approval of the Plan; or

☐ Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan.

- and –

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Senior Secured Lender with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Senior Lender Meeting or any adjournment, postponement or other rescheduling of the Senior Lender Meeting.

[*Remainder of page left intentionally blank*]

Dated this _____ day of _____, 2015.

Print Name of Senior Secured Lender	Title of the authorized signing officer of the Senior Secured Lender
Signature of authorized signing officer of the Senior Secured Lender	Telephone number of the authorized signing officer of the Senior Secured Lender
Mailing Address of Senior Secured Lender	E-mail address of Senior Secured Lender

Please deliver the Senior Lender Proxy via <u>both</u>: (a) facsimile or email transmission; and (b) mail to the following address by 5:00 p.m. eastern time on November 4, 2015:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Cash Store Financial Meetings Proxy
Email: cashstorefinancial@fticonsulting.com
Fax: 416-649-8101

DELIVERY OF THIS SENIOR LENDER PROXY OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

INSTRUCTIONS FOR COMPLETION OF THE PROXY

1. Each Senior Secured Lender who has a right to vote at the Senior Lender Meeting has the right to appoint a person to attend, act and vote for and on behalf of the Senior Secured Lender and such right may be exercised by inserting in the space provided the name of the person to be appointed. If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Greg Watson of the Monitor as the Senior Secured Lender's proxyholder.

2. If this Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor.

3. If an officer of the Monitor is appointed or is deemed to be appointed as proxyholder and the Senior Secured Lender fails to indicate on the proxy whether it wishes to vote for or against approval of the Plan or whether it wishes to abstain from voting on the Plan, the Senior Secured Lender will be deemed to have instructed its proxyholder to vote FOR approval of the Plan, including any amendments thereto.

4. If more than one valid proxy for the same Senior Secured Lender is received the proxy bearing the later date shall govern and the earlier-dated proxy shall be revoked. If more than one valid proxy for the same Senior Secured Lender and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and shall not be voted.

5. This proxy must be signed by the Senior Secured Lender or by a person duly authorized (by power of attorney) to sign on the Senior Secured Lender's behalf or, if the Senior Secured Lender is a corporation, by a duly authorized officer or attorney of the corporation.

6. This proxy must be returned to the Monitor in accordance with the instructions contained thereon by 5:00 p.m. eastern time on November 4, 2015.

SCHEDULE "D"

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 INC., 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" (COLLECTIVELY, THE "APPLICANTS")

NOTEHOLDER VOTING INSTRUCTION FORM

VOTING RECORD DATE: **SEPTEMBER 28, 2015**

INSTRUCTION FORM DEADLINE DATE: **OCTOBER 28, 2015 BEFORE 5:00 P.M. EASTERN TIME**

VOTING DEADLINE DATE: **NOVEMBER 4, 2015 BEFORE 5:00 P.M. EASTERN TIME**

Before completing this instruction form, please read carefully the accompanying Instructions For Completion of the Noteholder Voting Instruction Form. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Applicants dated as of September **[30]**, 2015 (as may be amended, restated or supplemented from time to time, the "**Plan**") and filed pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), and the order of the Court dated September 30, 2015 authorizing the Applicants to call and hold the Meetings (the "**Meetings Order**").

This voting instruction form is to direct the vote of your Secured Noteholder Claim. In accordance with the Plan and the Meetings Order, this voting instruction form may only be completed by Beneficial Noteholders with respect to their Secured Notes. This voting instruction form should be returned to your nominee, bank or broker (your "**Participant Holder**"), and the information contained in this voting instruction form will be verified by the Participant Holder in completing the Noteholder Proxy that it will submit in connection with the Plan.

In connection with the Noteholder Proxy, the Participant Holder will appoint Brendan D. O'Neill of Goodmans LLP, counsel to the Ad Hoc Committee, with power of substitution at Mr. O'Neill's discretion, or such other Person as he, in his sole discretion, may designate (the

"**Goodmans Proxy**") to attend on behalf of and act for the Participant Holder at the Secured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Secured Noteholders Meeting, and to vote the amount of your Secured Noteholder Claim, based on the principal amount of Secured Notes held as listed in Item 1 below (or as otherwise affixed to this voting instruction form), for voting purposes in accordance with the Meetings Order and as set out in the Plan. If you do not want the Participant Holder to appoint the Goodmans Proxy to act on the Participant Holder's behalf with respect to your Secured Noteholder Claim, you should contact the Participant Holder and you should not complete this voting instruction form.

Item 1. Amount of Secured Notes to be Voted at the Secured Noteholder Meeting

Your bank or broker may have affixed a label to this voting instruction form listing the aggregate principal amount of Secured Notes that you held as of the Voting Record Date. If no label has been included, please list the aggregate principal amount of Secured Notes held by you as of the Voting Record Date, September 28, 2015:

CUSIP: CA C21768AA1 1 and CA 14756FAB9 0

Principal Amount Held: _____

Item 2. Appointment of Proxyholder and Vote

The undersigned directs the Participant Holder to vote on its behalf at the Secured Noteholders Meeting with respect to its Secured Noteholder Claim as follows (mark one only):

☐ Vote **FOR** approval of the Plan; or

☐ Vote **AGAINST** approval of the Plan,

If no boxes are marked as a vote for or against approval of the Plan pursuant to this Item 2, this voting instruction form shall be voted **FOR** approval of the Plan at each of the Secured Noteholder Meeting.

In respect of the undersigned's Secured Noteholder Claim, based on the principal amount of Secured Notes held as listed in Item 1 above (or as otherwise affixed to this voting instruction form), the undersigned directs the Participant Holder to appoint the Goodmans Proxy (i) to attend on behalf of and act for the Participant Holder at the Secured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Secured Noteholders Meeting, and to vote the amount of the undersigned's Secured Noteholder Claim, based on the principal amount of Secured Notes held as listed in Item 1 above (or as otherwise affixed to this voting instruction form), for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Secured Noteholders Meeting or any adjournment, postponement or other rescheduling of the Secured Noteholders Meeting.

Item 3. Certification.

By returning this voting instruction form, the holder of the Secured Notes evidenced hereby certifies that (a) it has full power and authority to vote for or against the Plan, (b) it was a Secured Noteholder as of September 28, 2015, (c) it has received a copy of the Information Statement and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Information Statement and the Plan, and (d) it authorizes its Participant Holder to treat this voting instruction form as a direction to include it on the Noteholder Proxy.

Name of Beneficial Holder (print):					
Bank or Broker with Custody of My Secured Notes:					
Signature: **X**				Date:	
Authorized Contact:				Title:	
Address:					
City:		State/Province:		Zip/Postal:	
Telephone:		E-Mail:			

INSTRUCTIONS FOR COMPLETION OF NOTEHOLDER VOTING INSTRUCTION FORM

1. This voting instruction form should be read in conjunction with the Plan, the Information Statement and the Meetings Order.

2. Each Participant Holder shall within three (3) Business Days of receipt of an Information Package complete the information in item 1 of the Noteholder Voting Instruction Form for each Beneficial Holder on whose behalf it holds the Secured Notes and deliver to each such Beneficial Holder the Noteholder Voting Instruction Form and one copy of the Information Statement and the Notice of Meeting.

3. This voting instruction is to be completed only by Beneficial Noteholders who hold their notes through a Participant Holder with the Depository. If you are the registered legal owner or holder of one or more Secured Notes, you must complete and return the Noteholder Proxy to vote at the Meeting.

4. Each Secured Noteholder has the right to appoint a person to attend, act and vote for and on behalf of the Secured Noteholder at the Secured Noteholders Meeting. If you do not want the Participant Holder to appoint the Goodmans Proxy to act on the Nominee's behalf with respect to your claims, you should contact the Participant Holder and you should not complete this voting instruction form.

5. If this voting instruction form is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Participant Holder.

6. A valid voting instruction form from the same Secured Noteholder bearing or deemed to bear a later date shall revoke this voting instruction form. If more than one valid voting instruction form from the same Secured Noteholder and bearing or deemed to bear the same date are received with conflicting instructions, such voting instruction forms shall not be counted for the purposes of the vote.

7. This voting instruction form must be signed by the Secured Noteholder or by a person duly authorized (by power of attorney) to sign on the Secured Noteholder's behalf or, if the Secured Noteholder is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust.

8. If this voting instruction form was delivered to you with a return envelope, please return it in the envelope provided to you.

9. **ALL NOTEHOLDER VOTING INSTRUCTION FORMS MUST BE RECEIVED BY YOUR PARTICIPANT HOLDER BY NO LATER THAN 5:00 P.M. (EASTERN TIME) ON OCTOBER 28, 2015.**

10. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Noteholder Voting Instruction Form / Noteholder Proxy is completed and executed and may waive strict compliance with the requirements in connection with the deadlines imposed by the Meetings Order.

SCHEDULE "E"

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 INC., 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" (COLLECTIVELY, THE "APPLICANTS")

NOTEHOLDER PROXY
(FOR USE BY PARTICIPANT HOLDERS AND PHYSICAL HOLDERS OF THE NOTES)

VOTING RECORD DATE: **SEPTEMBER 28, 2015**

INSTRUCTION FORM DEADLINE DATE: **OCTOBER 28, 2015 BEFORE 5:00 P.M. EASTERN TIME**

VOTING DEADLINE DATE: **NOVEMBER 4, 2015 BEFORE 5:00 P.M. EASTERN TIME**

INSTRUCTIONS: Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Applicants dated as of September **[30]**, 2015 (as may be amended, restated or supplemented from time to time, the "**Plan**") and filed pursuant to the *Companies' Creditors Arrangement Act* with the Ontario Superior Court of Justice (Commercial List) dated September **[30]**, 2015 authorizing the Applicants to call and hold the Meetings. DTC Participants holding the above-referenced securities through DTC ("**Participant Holders**") should complete this Noteholder Proxy (the "**Noteholder Proxy**") on their own behalf or on behalf of the persons for whom they hold the securities, and return this Noteholder Proxy to the Monitor, as directed below, before the Voting Deadline Date. Participant Holders should have reference to the instructions attached to the Noteholder Voting Instruction Form in distributing such forms and in completing the Noteholder Proxy. Physical holders of the above-referenced securities holding such securities **in physical form** on their own behalf or on behalf of the persons for whom they hold the securities (the "**Physical Holders**" and together with the Participant Holders, the "**Holders**") should complete this Noteholder Proxy and return this Noteholder Proxy to the Monitor, as directed below, before the Voting Deadline Date. **Beneficial Owners of Secured Notes held through a brokerage firm, trust company or other nominee should not use this Noteholder Proxy.** Such beneficial owners should contact their Participant Holder or the Monitor to obtain a copy of a

voting instruction form. If you have any questions with the completion of this Noteholder Proxy, please contact the Monitor at the contact information set forth in Step 4 below.

STEP 1: **PHYSICAL HOLDER APPOINTMENT OF PROXY / VOTE OF SECURED NOTEHOLDERS *(TO BE COMPLETED BY PHYSICAL HOLDERS ONLY)***

THE UNDERSIGNED HOLDER hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Please list the aggregate principal amount of Secured Notes held by you as of the Voting Record Date, September 28, 2015:

CUSIP: CA C21768AA1 1 and CA 14756FAB9 0

Principal Amount Held: _____

in respect of the Secured Noteholder Claim(s) based on the principal amount of Secured Notes held as listed above, the Physical Holder appoints Brendan D. O'Neill of Goodmans LLP, or such other Person as he, in his sole discretion, may designate (the "**Goodmans Proxy**") (i) to attend on behalf of and act for the Physical Holder at the Secured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Secured Noteholders Meeting, and to vote the amount of the Secured Noteholders Claim(s) based on the principal amount of Secured Notes held, as listed above, in the manner indicated below for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meetings or any adjournment, postponement or other rescheduling of the Meetings. **If you do not want to appoint the Goodmans Proxy to act on your behalf with respect to your claims, you should contact the Monitor and you should not complete this proxy.** The undersigned directs the Goodmans Proxy to vote on its behalf at the Secured Noteholders Meeting with respect to its Secured Noteholder Claim as follows (mark one only):

☐ Vote **FOR** approval of the Plan; or

☐ Vote **AGAINST** approval of the Plan,

If no boxes are marked as a vote for or against approval of the Plan pursuant to this Item 2, this voting instruction form shall be voted **FOR** approval of the Plan at each of the Secured Noteholder Meeting.

STEP 2: **PARTICIPANT HOLDER APPOINTMENT OF PROXY / VOTE OF SECURED NOTEHOLDERS *(TO BE COMPLETED BY PARTICIPANT HOLDERS ONLY)***

THE UNDERSIGNED HOLDER hereby revokes all proxies previously given and nominates, constitutes, and appoints:

A) in respect of the Secured Noteholder Claim(s) based on the principal amount of Secured Notes held as listed below, the Goodmans Proxy (i) to attend on behalf of and act for the Participant Holder at the Secured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Secured Noteholders Meeting, and to vote the amount of the Secured Noteholders Claim(s) based on the principal amount of Secured Notes held, as listed below, in the manner indicated below for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meetings or any adjournment, postponement or other rescheduling of the Meetings.

CUSIP: CA C21768AA1 1 and CA 14756FAB9 0

Votes **FOR** the Plan	
Total Number of Beneficial Owners voting FOR the Plan for purposes of the Secured Noteholders Meeting	**Total Principal Amount of Secured Notes held by Secured Noteholders voting FOR the Plan for purposes of the Secured Noteholders Meeting**
	$

Votes **AGAINST** the Plan	
Total Number of Beneficial Owners voting AGAINST the Plan for purposes of the Secured Noteholders Meeting	**Total Principal Amount of Secured Notes held by Secured Noteholders voting AGAINST the Plan for purposes of the Secured Noteholders Meeting**
	$

B) in respect of the Secured Noteholders Claim(s) based on the principal amount of Secured Notes held, as listed below, the applicable individual identified below (i) to attend on behalf of and act for the Beneficial Noteholder at the Secured Noteholders Meeting and at any and all adjournments, postponements or other rescheduling of the Secured Noteholders Meeting, and to vote the applicable amount of the Secured Noteholders Claims, based on the principal amount of Secured Notes held, as listed below, for voting purposes as determined by and accepted for voting purposes in accordance with the Meetings Order and as set out in the Plan, and (ii) to otherwise act for and on behalf of the undersigned with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meetings or any adjournment, postponement or other rescheduling of the Meetings.

Name of Beneficial Noteholder	**Name of Proxy**	**Principal Amount Held**

Please feel free to attach additional schedules as is necessary.

Any claims listed in clause (B) above shall **not** be included in clause (A) above, as it is anticipated that claims referenced in clause (B) above will be voted by the appointed person at the Secured Noteholders Meeting.

STEP 3: EXECUTION BY AUTHORIZED SIGNATORY (TO BE COMPLETED BY ALL HOLDERS)

By signing below, the undersigned Holder hereby certifies that (i) it has full power and authority to vote for or against the Plan, (ii) it was the holder, by physical Secured Notes or through a position held at DTC, of the Secured Notes set forth above on the Voting Record Date, and (iii) in the case of a Participant Holder, the summary is a true and accurate schedule of the Beneficial Noteholders as of the Voting Record Date of the Secured Notes who have delivered voting instruction forms to the undersigned Participant Holder, if applicable.

Date Submitted: _____, **2015**

Participant No. (*Participant Holders only*) _____

Print Name of Company: _____

Authorized Employee Contact (Print Name): _____

Title: _____ **Tel. No.:** _____

E-Mail: _____

Signature: X_____

MEDALLION STAMP BELOW (Participant Holders Only)

STEP 4. DELIVERY OF NOTEHOLDER PROXY

Please deliver the Noteholder Proxy via both: (a) facsimile or email transmission; and (b) mail to the following address by the Voting Deadline Date:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention:	**Cash Store Financial Meetings Proxy**
Email:	**cashstorefinancial@fticonsulting.com**
Fax:	**416-649-8101**

DELIVERY OF THIS NOTEHOLDER PROXY OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

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 INC., 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"

Applicants

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

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER
(MEETINGS ORDER)

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
P.O. Box 50
Toronto, ON M5X 1B8

Tel: (416) 362-2111
Fax: (416) 862-6666

Counsel for the Chief Restructuring Officer of the Applicants

EXHIBIT C

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

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE REGIONAL	)	WEDNESDAY , THE 30[TH] DAY
	)	
SENIOR JUSTICE MORAWETZ	)	OF SEPTEMBER, 2015

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 INC., 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"

Court File No. CV-13-48194300CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

DAVID FORTIER

Plaintiff

- and -

THE CASH STORE FINANCIAL SERVICES INC., NANCY BLAND, GORDON J. REYKDAL, CRAIG WARNOCK, J. ALBERT MONDOR, RON CHICOYNE and MICHAEL M. SHAW

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER
(Representation and Notice Approval)

THIS MOTION, made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiff in the Ontario Securities Class Action ("**Securities Plaintiffs**"), in their own and proposed representative capacities, for an order (i) approving the form and content of notice of the hearing (the "**Settlement Approval Hearing**") to approve the proposed D&O/Insurer Global Settlement Agreement, the plan for allocating and distributing the proceeds of the D&O/Insurer Securities Class Action Settlement Amount (**"Plan of Allocation"**), and the counsel fee and disbursements requests (**"Fee Request"**), (ii) appointing the Securities Plaintiffs and Siskinds LLP as representative and representative counsel, respectively, to the Securities Class Action Class Members; and (iii) appointing the claims administrator and fixing the Claims Deadline was heard on September 30, 2015, in Toronto, Ontario.

WHEREAS the Securities Class Action Plaintiffs and the Securities Class Action Defendants, among others, have entered into the D&O/Insurer Global Settlement Agreement

AND WHEREAS RicePoint Administration Inc. ("**Ricepoint**") has consented to acting as the claims administrator;

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

Sufficiency of Service and Definitions

1. **THIS COURT ORDERS** that the time for service and filing of this notice of motion and motion record is validated and abridged and any further service thereof is dispensed with.

2. **THIS COURT ORDERS** that unless otherwise indicated, capitalized terms not otherwise defined in this order shall have the meaning attributed to those terms in **Schedule "A"**.

Representation

3. **THIS COURT ORDERS** that the Securities Plaintiffs are hereby recognized and appointed as representatives on behalf of the Securities Class Action Class Members for all purposes in these insolvency proceedings in respect of the Applicants ("**CCAA Proceedings**") and in the Ontario Securities Class Action, including for the purposes of negotiating, entering into, and implementing the D&O/Insurer Global Settlement Agreement;

4. **THIS COURT ORDERS** that Siskinds LLP is hereby recognized and appointed as counsel for the Securities Class Action Class Members for all purposes in these proceedings, including for the purposes of negotiating, entering into, and implementing the D&O/Insurer Global Settlement Agreement ("**Representative Counsel**");

5. **THIS COURT ORDERS** that the steps taken by the Securities Plaintiffs and Representative Counsel on behalf of the Securities Class Action Class Members to negotiate and enter into the D&O/Insurer Global Settlement Agreement are hereby approved, authorized and validated, and that Representative Counsel is and was authorized to negotiate the D&O/Insurer Global Settlement Agreement, to bring this motion before this Honourable Court, and to take any other necessary steps to effectuate and implement the D&O/Insurer Global Settlement Agreement, including bringing any necessary motion before the Court.

6. **THIS COURT ORDERS** that the Securities Plaintiffs and Representative Counsel shall have no liability as a result of their respective appointment or the fulfillment of their

duties in carrying out the provisions of this Order save and except for any gross negligence or unlawful misconduct on their part.

7. **THIS COURT ORDERS** that the Securities Plaintiffs and Representative Counsel shall be at liberty and are authorized at any time to apply to this Honourable Court for advice and directions in the discharge or variation of their powers and duties.

Notice to Securities Class Action Class Members

8. **THIS COURT ORDERS** that the Notice, Short-Form Notice, and Notice of Objection substantially in the forms attached as **Schedules "B", "C" and "D"** respectively, be and hereby are approved, subject to the right of the parties to make minor non-material amendments to such forms as may be necessary or desirable.

9. **THIS COURT ORDERS** that the Applicants and the Monitor shall, within two (2) calendar days of this Order, provide to Representative Counsel any lists they have of record and/or beneficial holders of Cash Store Financial Services Inc. (**"Cash Store"**) securities between November 24, 2010 and February 13, 2014, or any other information they have concerning the identities of and contact details for such holders, to the extent that all such information has not already been provided in the Lists identified in paragraph 10(b).

10. **THIS COURT ORDERS** that the Notice and Short-Form Notice shall be disseminated and published as follows ("**Notice Plan**"):

    (a) Siskinds LLP shall provide or cause to be provided a copy of the Notice directly, either electronically or by mail, to:

(i) any person that requests it and all persons in the Database, provided that such persons have provided their contact information; and

(ii) the current service list in the CCAA Proceeding.

(b) The Notice shall be sent to the following lists provided by the Monitor ("Lists"):

(i) A list of Canadian non objecting beneficial owners ("NOBOs") of Cash Store shares as of December 24, 2012;

(ii) A list of US NOBOs of Cash Store shares as of December 12, 2012;

(iii) A list of registered holders of Cash Store Notes as of December 20, 2013;

(iv) A list of private placement purchasers of $28 million of the Notes under the $125 million January 2012 Note Offering; and

(v) Any other lists provided by the Applicants and the Monitor pursuant to paragraph 9 of this Order;

(c) The Notice shall be sent to:

(i) the list of 195 brokers in Canada known to RicePoint, including the Canadian Depository for Securities (**"CDS"**); and

(ii) for greater certainty, any brokers in the United States appearing on any of the Lists identified at paragraph 10(b) of this Order,

with a cover letter directing those brokers to provide a copy of the Notice, either electronically or by mail, to those of their clients that are or have been beneficial owners of Cash Store securities;

(d) The Notice shall be sent to all current Noteholders through the distribution of meeting materials by the Monitor in connection with the Meeting Order granted in the CCAA proceeding on September 30, 2015;

(e) The Notice shall be sent to the Indenture Trustee for the Notes with a direction to distribute the Notice to those persons that are or have been registered holders of the Notes and for whom the Indenture Trustee has contact information;

(f) Copies of the Notice shall be posted on the websites of Siskinds LLP (in English and French), and Kirby McInerney LLP (in English).

(g) Copies of the Short-Form Notice shall be published in one weekday publication in each of the following print publications:

(i) *The Globe and Mail* (in English)

(ii) *La Presse* (in French)

(iii) *Investor's Business Daily* (in English)

(iv) *The Wall Street Journal* (in English).

(v) Edmonton Journal (in English)

11. **THIS COURT ORDERS** that any person or entity wishing to object to the D&O/Insurer Global Settlement Agreement, Plan of Allocation or Fee Request shall deliver a Notice of Objection to be received by no later than November 9, 2015 ("**Objection Deadline**") by mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, and that any Notice of Objection received later than the Objection Deadline shall not be filed with the Court or considered at the hearing to approve the D&O/Insurer Global Settlement Agreement.

Claims and Administration

12. **THIS COURT ORDERS** that RicePoint is appointed as the claims administrator (**"Administrator"**) for the purposes of holding and distributing the proceeds of the D&O/Insurer Securities Class Action Settlement Amount allocated to the Securities Class Action Class Members.

13. **THIS COURT ORDERS** that any person or entity wishing to claim from the D&O/Insurer Securities Class Action Settlement Amount must deliver a claim form to

the Administrator postmarked no later than January 8, 2016 (the "**Claims Deadline**"), and that no person or entity may file a claim form after the Claims Deadline, subject to the Administrator's sole discretion to accept late claims only if such claims will not materially delay the distribution of settlement funds to Securities Class Action Class Members.

14. **THIS COURT REQUESTS**, pursuant to the *Companies' Creditors Arrangement Act* (Canada), together with such other statutes, regulations and protocols as may apply, and as a matter of comity, that all courts, regulatory and administrative bodies, and other tribunals, in all provinces and territories of Canada, in the United States of America, and in all other nations or states, recognize this order and act in aid of and in a manner complementary to this order and this court in carrying out the terms of this order.

Date:

Morawetz RSJ

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
SEP 30 2015

Schedule "A"

"D&O/Insurer Global Settlement Agreement" means the settlement agreement dated September 22, 2015, as executed by the Securities Class Action Plaintiffs and the Securities Class Action Defendants, among others, a copy of which is appended as Schedule "C" to the Plan of Compromise or Arrangement concerning, affecting, and involving the Applicants, which in turn is attached as Exhibit "A" to the Affidavit of William Aziz, sworn September 23, 2015.

"D&O/Insurer Securities Class Action Settlement Amount" means the $13,779,167 payable by the Securities Class Action Defendants and/or their insurers pursuant to section 39(a) and 39(b) of the D&O/Insurer Global Settlement Agreement.

"Database" means the database identified at paragraph 28 of the Factum of the Securities Plaintiffs (Representation and Notice Approval), dated September 28, 2015.

"Excluded Persons" means the Securities Class Action Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is an immediate member of the family of an individual Securities Class Action Defendant.

"Ontario Securities Class Action" means the Ontario securities class action proceeding styled as *Fortier v. The Cash Store Financial Services, Inc., et al.* (Ontario Superior Court of Justice, Court File No. CV-13-481943-00CP).

"Securities Class Action Class Members" means all persons, wherever they may reside or be domiciled, who acquired securities of The Cash Store Financial Services Inc. from November 24, 2010 through to February 13, 2014, inclusive, except the Excluded Persons.

"Securities Class Action Plaintiffs" means the plaintiffs in the Securities Class Actions

"Securities Class Action Defendants" means the defendants in the Securities Class Actions

"**Securities Class Actions**" means, collectively, the following proceedings: (i) the Ontario Securities Class Action; (ii) *Globis Capital Partners, L.P. v. The Cash Store Financial Services Inc. et al.*, Southern District of New York, Case 13 Civ. 3385 (VM); (iii) *Hughes v. The Cash Store Financial Services, Inc. et al.*, Alberta Court of Queen's Bench, Court File No. 1303 07837; and (iv) *Dessis v. The Cash Store Financial Services, Inc. et al.*, Quebec Superior Court, No: 200-06-000165-137.

Schedule "B"

CASH STORE SECURITIES LITIGATION

NOTICE OF PROPOSED SETTLEMENT

TO: All persons and entities, wherever they may reside or be domiciled, who acquired securities of Cash Store Financial Services Inc. ("Cash Store") between November 24, 2010 up to and including February 13, 2014 ("Class Members").

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS. YOU MAY NEED TO TAKE PROMPT ACTION

The Plaintiffs have reached an agreement to settle the Proceedings (as defined below on this page) for a cash payment of CAD$13,779,167 ("Settlement Amount"). If the settlement is approved by the Ontario Superior Court of Justice and such approval is recognized and enforced by the United States Bankruptcy Court for the Southern District of New York, all claims in the Proceedings by Class Members against all the Defendants and other Released Parties identified below at page 2, will be resolved.

IMPORTANT DEADLINES

Objection Deadline: for those who wish to object or make submissions regarding the proposed Settlement Agreement with Cash Store, the proposed Plan of Allocation, or Class Counsel Fee request. (See page 4 for more details)	**November 9, 2015**
Claims Bar Deadline: to file a claim for compensation from the settlement. (See page 5 for more details)	**January 8, 2016**

Background of Cash Store Class Actions and CCAA Proceeding

In June and July of 2013, class actions were commenced in the Ontario Superior Court of Justice ("Ontario Proceeding"), the Alberta Court of Queens's Bench ("Alberta Proceeding"), and the Quebec Superior Court ("Quebec Proceeding") (collectively, "Canadian Proceedings") by certain plaintiffs ("Canadian Plaintiffs") against Cash Store and certain of its officers and directors, including Gordon J. Reykdal, Nancy Bland, Craig Warnock, J. Albert Mondor, Ron Chicoyne and Michael M. Shaw ("Individual Defendants") (together with Cash Store, "Defendants").

In November 2013, a class action was commenced by certain plaintiffs (together with the Canadian Plaintiffs, "Plaintiffs") against Cash Store and certain of the Individual Defendants in the United States District Court for the Southern District of New York ("U.S. Proceeding"; together with the Canadian Proceedings, "Proceedings"). The Proceedings allege that Cash Store and the Individual Defendants made false and misleading statements regarding Cash Store's financial results, assets, business structure and transactions, which caused Cash Store securities

to trade at artificially inflated prices during the period from November 24, 2010 through February 13, 2014 ("Class Period").

On April 14, 2014, Cash Store obtained creditor protection under the *Companies' Creditors Arrangement Act* ("CCAA"), and the Ontario Superior Court ordered a stay of proceedings against the company and other parties ("CCAA Proceeding"). Orders and other materials relevant to the CCAA Proceeding can be found at the website for the court-appointed monitor ("Monitor") in the CCAA Proceeding at http://cfcanada.fticonsulting.com/cashstorefinancial/ ("Monitor's Website").

Who Acts for the Class Members

Siskinds LLP, Kirby McInerney LLP, Hoffner PLLC, and Siskinds Desmeules, sencrl (collectively, "Class Counsel") represent the Class Members in the Proceedings. If you want to be represented by another lawyer, you may hire one to appear in court for you at your own expense.

You will not have to directly pay any fees or expenses to Class Counsel. However, Class Counsel will seek to have their fees and expenses paid from any money obtained for the Class Members or paid separately by the Defendants. The fee request of Class Counsel is explained below.

Proposed Settlement with Cash Store

The Plaintiffs have entered into a proposed settlement with the Defendants ("Settlement Agreement"). The Settlement Agreement would settle, extinguish and bar all claims, globally, against the Defendants including the allegations in the Proceedings. The Defendants do not admit to any wrongdoing or liability. A complete copy of the proposed Settlement Agreement and other information about the Proceedings is available on the website of Siskinds LLP at www.classaction.ca/cashstore, and on the website of Kirby McInerney LLP at www.kmllp.com/cashstore (collectively, "Class Action Websites").

The Settlement Agreement, if approved and its conditions fulfilled, provides that the Settlement Amount of CAD$13,779,167 shall be paid into an interest bearing account, for the benefit of the Class Members until such time that it is distributed pursuant to a Plan of Allocation to be approved by order of the Ontario Superior Court, and to pay legal fees, disbursements, and other expenses in connection with the settlement. CAD$8,904,167 of the Settlement Amount will be allocated to Class Members that acquired Cash Store's 11.5% Senior Secured Notes due January 31, 2017 ("Notes") during the Class Period, and CAD$4,875,000 will be allocated to Class Members that acquired shares of Cash Store common stock during the Class Period.

In return, the Proceedings will be dismissed against the Defendants and their respective past, present and future subsidiaries, affiliates and related companies, partners, associates, employees, directors, officers, insurers, family members, heirs, administrators, executors, successors and assigns (collectively, "Released Parties"), and there will be an order forever barring all claims against them in relation to Cash Store, including any allegations relating to the Proceedings. Such order will be final and binding and there will be no ability to pursue a claim against the Defendants through an opt-out process under class proceedings or similar legislation.

The proposed settlement with the Defendants is subject to court approval by the Ontario Superior Court of Justice, and recognition and enforcement of the settlement approval order by the United States Bankruptcy Court for the Southern District of New York ("U.S. Bankruptcy Court"), as discussed below.

Hearing to Approve the Settlement Agreement, Plan of Allocation, and Class Counsel Fees on November 19, 2015 in Toronto, Ontario

On November 19, 2015 at ●, there will be a hearing before the Ontario Superior Court of Justice ("Settlement Approval Hearing") at which Class Counsel will seek the Court's approval of (i) the Settlement Agreement; (ii) a plan of allocation and distribution of the Settlement Amount ("Plan of Allocation") and (iii) the fees and expense reimbursement requests of Class Counsel. The hearing will be held at [●, courtroom number ●]

The proposed Plan of Allocation sets out, among other things, (i) the method by which the Administrator (defined below) will review and process claim forms; and (ii) the method by which the Administrator will calculate the amount of compensation to be distributed to each Class Member. **Persons that suffered the same loss on their Cash Store securities may receive different levels of compensation, depending on the time at which they acquired and/or sold their securities, and whether they had any business or other relationship with Cash Store or the Individual Defendants. Persons or entities that were or are related to Cash Store's "third party lenders" will not receive any compensation from the settlement.**

The Plan of Allocation can be found at the Class Action Websites, or by contacting Class Counsel at the contact information set out at the end of this notice.

At the Settlement Approval Hearing, the court will determine whether the Settlement Agreement and Plan of Allocation are fair, reasonable, and in the best interests of the Class Members. At that hearing, Class Counsel will also seek court approval of its request for fees and expense reimbursements ("Class Counsel Fees"). As is customary in class actions, Class Counsel is prosecuting the class actions on a contingent fee basis. Class Counsel is not paid as the matter proceeds, and Class Counsel funds the out-of-pocket expenses of conducting the litigation. Class Counsel will be requesting the following fees and disbursements to be deducted from the Settlement Amount before it is distributed to Class Members:

Siskinds LLP and Siskinds Desmeules, sencrl:

Amount requested: CAD$2,221,289.06, plus disbursements (expenses), plus taxes

Kirby McInerney LLP and Hoffner PLLC

Amount requested: CAD$1,263,085.94, plus disbursements (expenses), plus taxes

Class Counsel will also request that the fees and disbursements of Paul Hastings LLP (in its capacity as counsel to Coliseum Capital Management LLC), Goodmans LLP (in its capacity as counsel to the Ad Hoc Committee of Cash Store Noteholders), and, the Analysis Group, Inc. (an expert in calculating damages in securities litigation), respectively, in the amounts of US$22,825.00, CAD$276,573.32, and US$112,896.98, plus applicable taxes, if any, incurred in

connection with this settlement be deducted and paid from the Settlement Amount before it is distributed to Class Members.

The court materials in support of these fee and disbursement requests will be posted on the Class Action Websites prior to the Settlement Approval Hearing.

Expenses incurred or payable relating to notification, implementation, and administration of the settlement, including taxes, ("Administration Expenses") will also be paid from the Settlement Amount.

The amount of funds remaining after deduction of Class Counsel Fees, Administration Expenses, and any other fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to the prosecution or settlement of this action, or the approval, implementation and administration of the settlement including costs, fees, and expenses of notice to Class Members, and the fees, disbursements and taxes paid to the Administrator of the Settlement Amount, and any other fees and expenses ordered by the courts, ("Class Compensation Fund") will be distributed to Class Members.

All Class Members may attend the Settlement Approval Hearing and ask to make submissions regarding the proposed Settlement Agreement, Plan of Allocation, or the Class Counsel Fees request.

Persons intending to object to the Settlement Agreement, Plan of Allocation, or the Class Counsel Fees request are required to deliver a Notice of Objection, substantially in the form that can be found on the Class Action Websites, and, if this Notice is received by mail or email, enclosed with this Notice, ("Notice of Objection"), to Siskinds LLP by regular mail, courier, or email transmission, to the contact information indicated on the Notice of Objection, so that it is received by no later than 5:00 p.m. on November 9, 2015. Copies of the Notices of Objection sent to Siskinds LLP will be filed with the Ontario Superior Court.

The Monitor will commence an ancillary case to the CCAA Proceeding under chapter 15 of the United States Bankruptcy Code in the U.S. Bankruptcy Court requesting recognition of the CCAA Proceeding. If the Settlement Agreement is approved, there will be a hearing in the U.S. Bankruptcy Court to consider the Monitor's request for recognition and enforcement in the United States of the order granting approval of the Settlement Agreement. Notice of the Monitor's motion will be provided and will include the applicable objection deadline and the time and date of the hearing before the U.S. Bankruptcy Court.

THE ONTARIO SUPERIOR COURT MAY APPROVE A PLAN OF ALLOCATION THAT IS DIFFERENT THAN THE PLAN OF ALLOCATION THAT IS PROPOSED BY CLASS COUNSEL. WHETHER OR NOT THEY SUBMIT A VALID CLAIM FORM, ALL PERSONS OR ENTITIES THAT ARE ENTITLED TO PARTICIPATE IN THE SETTLEMENT WILL BE BOUND BY THE PLAN OF ALLOCATION, WHATEVER IT MAY BE, THAT IS APPROVED BY THE ONTARIO SUPERIOR COURT.

The Administrator

The Ontario Superior Court has appointed RicePoint Administration Inc. ("RicePoint") as the Administrator of the settlement. The Administrator will, among other things: (i) receive and process the Claim Forms (discussed below), (ii) make determinations of Class Members' eligibility for compensation pursuant to the Plan of Allocation; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Class Compensation Fund. The Administrator can be contacted at:

Mailing Address:	Cash Store Financial Services Inc. Securities Class Action P.O. Box 3355 London, ON N6A 4K3
Telephone:	1-866-432-5534
Email Address:	cashstoresecurities@ricepoint.com
URL for electronic filing:	www.[●].com

Claims Filing Procedure and Deadline

Class Members will only be eligible for compensation from the Class Compensation Fund if they submit a complete Claim Form, including any supporting documentation required by the Claim Form, to the Administrator before **January 8, 2016**, **("Claims Bar Deadline")**. Class Members are entitled to submit a Claim Form regardless of whether they submitted a Notice of Objection.

Claim Forms are available on the Class Action Websites, or, if you are receiving this notice by mail or email, attached to this notice.

To be eligible for compensation, Class Members must submit their Claim Form, postmarked via mail to the Administrator at the address listed above, or electronically through the URL for electronic filing listed above, NO LATER THAN the Claims Bar Deadline of January 8, 2016. If you do not submit a Claim Form by the Claims Bar Deadline of January 8, 2016, you will not receive any compensation from the Settlement Amount, but will remain bound by the final Settlement order and release.

The Class Compensation Fund will be distributed to Class Members in accordance with the Plan of Allocation that is approved by the court.

Further Information

If you would like additional information, please contact Siskinds LLP, Kirby McInerney LLP, Hoffner PLLC, or Siskinds Desmeules, sencrl using the information below:

Serge Kalloghlian Siskinds LLP 100 Lombard Street, Toronto, ON, M5C 1M3 Re: Cash Store Class Action Tel: 1.800.461.6166 x 2380 (within North America) Tel: 519.672.2251 x 2380 (outside North America) Email: cashstore@siskinds.com	Ira M. Press Kirby McInerney LLP 825 Third Avenue, New York, NY 10022 Re: Cash Store Class Action Tel: 212-371-6600 Email: ipress@kmllp.com

Samy Elnemr Siskinds Desmeules, Avocats, sencrl 480, Saint-Laurent, suite 501, Montréal, Québec, H2Y 3Y7 Re: Cash Store Class Action Tel: 514.849.1970 Email: samy.elnemr@siskindsdesmeules.com	David S. Hoffner Hoffner PLLC 800 Third Avenue, 13th Floor, New York, NY 10022 Re: Cash Store Class Action Tel: 212-471-6203 Email: hoffner@hoffnerpllc.com

Interpretation

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

Please do not direct inquiries about this notice to the court. All inquiries should be directed to Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE

2701204.8

Schedule "C"

Did you acquire securities of Cash Store Financial Services Inc.?

A proposed **CAD$13,779,167 settlement** has been reached in the securities class actions commenced in Canada and the United States against Cash Store Financial Services Inc.

YOU MUST FILE A CLAIM TO PARTICIPATE

YOU HAVE A RIGHT TO OBJECT

A hearing will be held at ● a.m. on November 19, 2015 in the Ontario Superior Court of Justice to seek an Order approving the proposed settlement ("Settlement"), the method of distributing the settlement funds ("Plan of Allocation"), and the fees and expenses to be paid to lawyers ("Counsel Fees")(collectively, "Approval Order").

You have a right to object if you do not agree with the proposed Settlement, Plan of Allocation, or request for Counsel Fees.

IMPORTANT DEADLINES

To participate in the Settlement, you must file a claim by **January 8, 2016**.

To object to the Approval Order you must file an objection by **November 9, 2015.**

FOR MORE INFORMATION

visit www.classaction.ca/cashstore

and read the "**Cash Store Securities Litigation - Notice of Proposed Settlement**" to learn how to file a claim to participate in the Settlement, and how to object to the Approval Order.

OR CALL 1-800-461-6166 x 2380

Schedule "D"

THIS IS **NOT** A CLAIM FORM

NOTICE OF OBJECTION

ONLY USE THIS FORM IF YOU **DO NOT** LIKE THE CASH STORE SETTLEMENT

TO: **SISKINDS LLP**
680 Waterloo Street
PO Box 2520
London, ON N6A 3V8

Attention: Nicole Young

Email: cashstore@siskinds.com

RE: CASH STORE SETTLEMENT

I, _____

(insert name of person or entity **objecting** to the settlement)

acquired **(please check all that apply)**

☐ Shares

☐ Senior Secured Notes due January 31, 2017 ("Notes")

between November 24, 2010 and February 13, 2014 ("Class Period").

I **OBJECT** to the Cash Store Settlement, Plan of Allocation, or Counsel Fee requests for the following reasons (please attach extra pages if you require more space):

(Only submit an objection if you want to STOP or CHANGE the settlement, plan of allocation or counsel fee award)

_____

_____

_____

_____

_____

_____

_____

_____

THIS IS **NOT** A CLAIM FORM

THIS IS **NOT** A CLAIM FORM

☐ I DO NOT intend to appear at the hearing of the motion to approve the Cash Store Settlement, and I understand that my objection will be filed with the court prior to the hearing of the motion presently scheduled for ● .m. on November 19, 2015, at **[361]** University Ave., Toronto Ontario.

☐ I DO intend to appear, in person or by counsel, and to make submissions at the hearing of the motion to approve the Cash Store Settlement presently scheduled for ● .m. on November 19, 2015, at **[361]** University Ave., Toronto Ontario.

MY ADDRESS FOR SERVICE IS:	**MY LAWYER'S ADDRESS FOR SERVICE IS (if applicable):**
Name:	Name:
Address:	Address:
Tel:	Tel:
Fax:	Fax:
Email:	Email:

In order to object, you **must include proof** that you acquired your Cash Store securities during the Class Period. Please check the following box to confirm you have done so:

☐ I have attached to this Notice of Objection, proof of my purchase of shares and/or Notes of Cash Store Financial Services Inc. between November 24, 2010 and February 13, 2014, such as a copy of trade confirmation or account statement.

Remember, this is an **OBJECTION** form. This form will **NOT** entitle you to participate in the settlement. To participate in the settlement, you must submit the Claim Form (you are allowed to submit both forms).

☐ I understand that this is an objection form and will not entitle me to participate in the settlement. In order to participate in the settlement, I must still submit the form titled "Claim Form."

☐ I understand that my objection must be received by Siskinds LLP by mail, email, or courier at the address at the front of this form no later than **November 9, 2015** or it will not be filed with or considered by the Court.

Date: _____ **Signature:** _____

2701210.4

THIS IS **NOT** A CLAIM FORM

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 INC.

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

FORTIER v. THE CASH STORE FINANCIAL SERVICES INC., *et al.*

Court File No: CV-13-48194300CP

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

Proceeding under the *Class Proceedings Act, 1992*

ORDER
(Representation and Notice Approval)

Siskinds LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Charles M. Wright (LSUC # 36599Q)
Tel: 519-660-7753
Fax: 519-660-7754

100 Lombard Street, Suite 302
Toronto, ON M5C 1M3

Serge Kalloghlian (LSUC # 55557F)
Tel: 416-594-4392
Fax: 416-594-4393

Lawyers for the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Ontario Securities Class Action Plaintiff

EXHIBIT D

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE REGIONAL	)	TUESDAY, THE 6TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF OCTOBER, 2015

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 INC., 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"

APPLICANTS

ORDER
(Plan Filing 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 Order of this Court dated September 30, 2015 in this matter (the "**Meetings Order**"), the Order of this Court dated September 30, 2015 approving certain notices and distribution plans more fully set out therein, the affidavit of William E. Aziz sworn September 23, 2015 and the Exhibits attached thereto (the "**Aziz Affidavit**"), the affidavit of Timothy Yeoman sworn September 23, 2015 and the Exhibits attached thereto, the affidavit of Bradley J. Owen sworn September 29, 2015 and the Exhibits attached thereto, and the

Nineteenth Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "**Monitor**"), and on hearing the submissions of counsel for the Chief Restructuring Officer (the "**CRO**"), the DIP Lenders, the Monitor, the Ad Hoc Committee, KPMG LLP, and such other counsel present, no other person appearing although duly served as appears from the affidavit of service sworn and filed:

DEFINITIONS

1. **THIS COURT ORDERS** that, unless otherwise noted, capitalized terms not defined in this Order shall have the meaning given in the Plan of Compromise and Arrangement in respect of the Applicants (the "**Plan**"), which is attached as Schedule "A" to this Order.

PLAN OF COMPROMISE AND ARRANGEMENT

2. **THIS COURT ORDERS** that the Plan be and is hereby accepted for filing with the Court, and that the Applicants are authorized to seek approval of the Plan by the Affected Creditors at the Meetings in the manner set forth herein and in the Meetings Order.

LOCATION OF MEETINGS

3. **THIS COURT ORDERS** that the Meetings referred to in the Meetings Order shall be held at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, Toronto, Ontario.

AUTHORITY TO PROVIDE NOTICE INFORMATION TO REPRESENTATIVE COUNSEL

4. **THIS COURT ORDERS** that the Applicants shall disclose to Harrison Pensa LLP and to Bennett Mounteer LLP such information in respect of the Applicants' customers as the Applicants, in consultation with the Monitor, deem appropriate to permit Harrison Pensa LLP and to Bennett Mounteer LLP to develop and implement a distribution plan with respect to the amounts to be paid to Harrison Pensa LLP and to Bennett Mounteer LLP under the Plan and the Settlements, including providing notice of the Settlements to the Applicants' customers. Harrison Pensa LLP and Bennett Mounteer LLP shall be entitled to use the personal information

provided to it only for the purposes set out above and for such activities as are necessary or incidental in connection therewith, and shall implement and maintain physical, technical and administrative safeguards to appropriately protect the information provided to it by the Applicants from loss, theft and unauthorized access, use or disclosure.

EFFECT, RECOGNITION AND ASSISTANCE

5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

6. **THIS COURT REQUESTS** the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. 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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 6 - 2015

EXHIBIT E

Court File No.

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 STEVEN CARLSTROM

(Sworn April 14, 2014)

I, Steven Carlstrom, of the County of Strathcona, in the Province of Alberta, the Vice President, Financial Reporting of the Applicant, The Cash Store Financial Services Inc. ("Cash Store Financial"), MAKE OATH AND SAY:

Introduction

1. This Affidavit is made in support of an Application by 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 Initial Order and related relief under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "CCAA").

2. I joined Cash Store Financial on August 27, 2012 as Vice President, Financial Reporting. In my role I report directly to the Chief Financial Officer and I am responsible for all of Cash Store Financial's external financial reporting obligations. My duties also include oversight of payroll, corporate accounting, and accounting for Cash Store Financial's off balance sheet arrangements with third-party lenders ("TPLs"), as described below. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I believe them to be true. In preparing this affidavit I have also consulted with other members of Cash Store Financial's senior management team (the "Senior Management"), and the Special Committee (as defined below) and reviewed certain information provided by financial advisors to the Special Committee as well as Cash Store's public disclosure documents filed on SEDAR.

3. Cash Store is a leading provider of alternative financial products and services, serving individuals for whom traditional banking may be inconvenient or unavailable. Cash Store owns and operates Canada's largest network of retail branches in the alternative financial products and services industry, with 509 branches across Canada operating under the banners "Cash Store Financial", "Instaloans" and "The Title Store." Cash Store also owns and operates 27 branches in the United Kingdom (the "UK") under the banner "Cash Store Financial". Cash Store Financial is listed on the Toronto Stock Exchange (TSX:CSF). Cash Store Financial was traded on the New York Stock Exchange until it voluntarily delisted on February 28, 2014 (NYSE: CSFS).

4. Cash Store acts as both a broker and lender of short-term advances and offers a range of other products and services to help customers meet their day to day financial service needs. Cash Store uses a combination of payday loans and lines of credit as its primary consumer

lending product offerings and earns fees and interest income on these consumer lending products. Cash Store also offers a wide range of financial products and services including bank accounts, prepaid MasterCard, private label credit and debit cards, cheque cashing, money transfers, payment insurance and prepaid phone cards. Cash Store has arrangements with a variety of companies to provide these products.

5. Cash Store employs approximately 1,840 hourly and salaried employees in Canada and the UK who rely on the continued existence of Cash Store for their livelihoods. Other stakeholder groups (discussed in greater detail below) include Cash Store Financial's senior secured lenders under its credit agreement, holders of Cash Store Financial's 11.5% senior secured notes, TPLs, other creditors, customers, shareholders, landlords, and contingent creditors such as class action plaintiffs. Cash Store's corporate headquarters and Senior Management are located in Edmonton, Alberta.

6. 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., cash flow issues, and the resulting deterioration of its liquidity position. Significantly, on February 13, 2014, the Ontario Registrar of the Ministry of Consumer Services ("Ontario Registrar") issued a proposal to refuse to issue a lender's license to Cash Store Financial's subsidiaries, The Cash Store Inc. and Instaloans Inc., under the *Payday Loans Act, 2008*, S.O. 2008, Ch. 9 ("Payday Loans Act"). On March 27, 2014, the Ontario Registrar issued a final notice of its decision not to grant a license under the Payday Loans Act. Further, a recent decision of the Ontario Superior Court of Justice determined that Cash Store could not sell its line of credit products in Ontario. Cash Store is therefore not currently permitted to sell any payday loan products or line of credit products in Ontario.

7. Over the course of the past several months, Cash Store engaged in significant efforts to pursue a restructuring outside of a formal insolvency proceeding. These efforts include changes to the composition of Cash Store Financial's Board of Directors, the creation of a Special Committee of the Board of Directors to examine and pursue strategic alternatives, hiring of legal and financial restructuring advisors, lengthy negotiations with the Ontario Registrar with respect to the Applicants' licenses to act as a lender under the Payday Loans Act, the commencement of a mergers and acquisition process to seek a sale or significant investment in Cash Store and negotiations with the Applicants' stakeholders. Each of these efforts is described in more detail below.

8. Cash Store's liquidity position continues to significantly deteriorate and the current situation is dire. There is too much uncertainty and too many legal and business impediments to continue the strategic alternatives process outside of an insolvency proceeding. Senior Management and the Special Committee have expressed concerns regarding Cash Store's ability to sustain adequate liquidity to fulfill current business objectives and maintain going concern operations without commencing a CCAA process. Cash Store is unable to meet its liabilities as they become due and is therefore insolvent.

9. Subject to certain conditions including the granting of the proposed Initial Order, the DIP Lenders (defined below) have agreed to provide the Applicants with an interim financing facility (the "DIP Facility") of up to approximately $20.5 million. The DIP Facility is intended to provide the Applicants with adequate liquidity to satisfy their working capital requirements and to seek to complete a restructuring as part of this CCAA proceeding. Cash Store is facing the stark reality that it is unable to continue going concern operations to preserve enterprise value without the DIP Facility.

10. Based on my own knowledge of Cash Store's business and my discussions with Senior Management and the financial advisors to the Special Committee, it is my belief that Cash Store can be a viable business after undergoing a restructuring under the CCAA. In order to continue going concern operations during Cash Store's transition to a new business model or a potential sale, the Applicants require a stay of proceedings and related relief under the CCAA. The Applicants are seeking CCAA protection to enable Cash Store to continue to operate as a going concern and be provided with the breathing space to restructure its affairs. Cash Store intends to continue its stakeholder discussions with the assistance of the proposed Monitor should the Initial Order be granted. A stay will enable the Applicants to evaluate restructuring options concurrently with a potential sale of all or a portion of the Cash Store business, with the ultimate goal of developing a plan of arrangement or compromise to restructure the business in a manner designed to maximize value to the extent possible for its stakeholders.

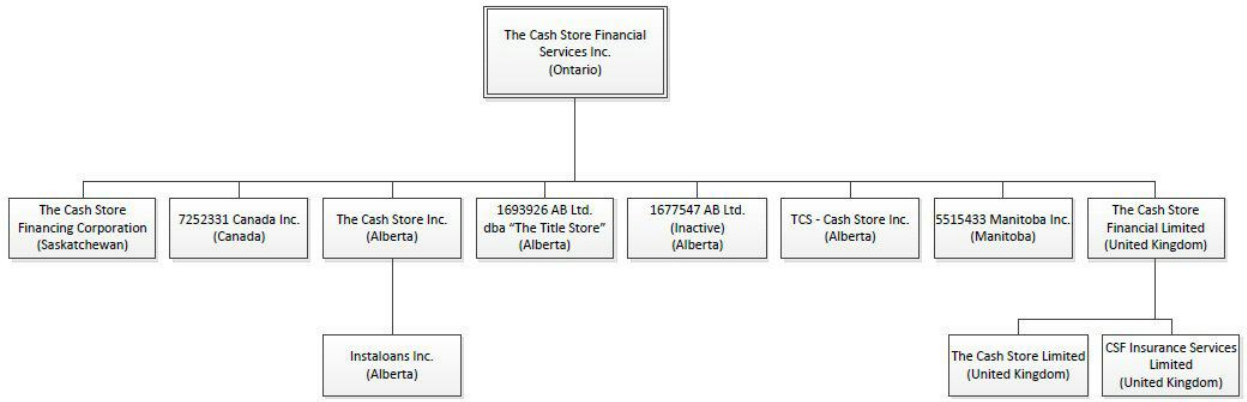
Corporate Structure of the Applicants

11. Cash Store Financial is a publicly-held Ontario corporation. The other Applicants are all privately-held corporations that are direct or indirect subsidiaries of Cash Store Financial. Cash Store Financial is the only broker of short-term advances and provider of other financial services in Canada publicly traded on the Toronto Stock Exchange (TSX:CSF). Cash Store Financial was traded on the New York Stock Exchange until it voluntarily delisted on February 28, 2014 (NYSE: CSFS).

12. As of December 31, 2013, Cash Store Financial had issued and outstanding share capital of 17,571,813 common shares. Cash Store Financial is authorized to issue unlimited common shares with no par value. As at December 11, 2013, Cash Store Financial's directors

and senior executive officers together beneficially owned 3,915,700 (22.2%) of the outstanding common shares. Of that, 3,640,300 (20.7%) of the outstanding common shares are beneficially owned by Gordon Reykdal, a Director and the Chief Executive Officer of Cash Store Financial. Coliseum Capital Management, LLC ("Coliseum") owns 19.27% of the common shares of Cash Store Financial.

13. The chart set out below shows the organizational structure of the Applicants and related companies. Cash Store Financial directly or indirectly owns 100% of the issued and outstanding shares of each of the Applicants. Included in parentheses within the corporate organization chart is the respective jurisdiction of incorporation of each entity.



(a) **Description of Entities**

14. Cash Store Financial is the holding company for Cash Store. Eugene Davis is Chairman of the Board, and the Board of Directors includes Cash Store Financial's CEO Gordon Reykdal, Edward McClelland, Timothy Bernlohr, Thomas Fairfield, and Donald Campion. Mr. Reykdal founded Cash Store in 2001 and has been on the Board of Directors since that time. Mr. McClelland joined the Board of Directors in 2005 and was appointed the Chief Executive Officer of Cash Store Australia in January 2008. Mr. Davis joined the Board of Directors on June 26, 2013, and Mr. Bernlohr, Mr. Fairfield, and Mr. Campion all joined the Board of Directors on

August 13, 2014. Mr. Davis is also the Chairman of the Special Committee and Mr. Bernlohr, Mr. Fairfield, and Mr. Campion are also members of the Special Committee (discussed below).

15. The Cash Store Inc. and Instaloans Inc. both act as lenders and/or brokers. These two companies are the main active subsidiaries of Cash Store Financial, operating in all of the provinces and territories where Cash Store has a presence.

16. The following are the remaining Canadian subsidiaries:

(a) **1693926 Alberta Ltd**. runs The Title Store, which offers loans where the customer provides a motor vehicle title as collateral. This company is unable to meet its liabilities as they come due.

(b) **The Cash Store Financing Corporation** was incorporated in Saskatchewan to act as a lender for Cash Store's "Elite" Line of Credit, however, this subsidiary was never used, is inactive, and is not an Applicant in these proceedings.

(c) **7252331 Canada Inc**. was incorporated to act as a direct lender for payday loans in British Columbia and act as the lender for Cash Store's "Elite" Line of Credit, which Cash Store recently ceased offering. While 7252331 Canada Inc. is not active, it holds some defaulted payday loans receivable that are held at a zero value as well as the Elite Line of Credit receivables.

(d) **1677547 Alberta Ltd**. was created to maintain the "Apply Pronto" internet lender banner, however Cash Store never launched the internet lending business and this entity is only used to maintain a website that aggregates customer leads and directs them to Cash Store's physical branches. It is not an Applicant in these proceedings.

(e) **TCS – Cash Store Inc.** acts as the lessee for all of the leased corporate stores.

(f) **5515433 Manitoba Inc.** holds real property in Manitoba and is the landlord for two Manitoba corporate stores.

17. Gordon Reykdal is the sole director of the three UK companies: The Cash Store Financial Limited (a holding company), The Cash Store Limited (the lender), and CSF Insurance Services Limited (a service provider). The UK companies are not currently Applicants in these proceedings, however, Cash Store may seek to include them in these proceedings should circumstances warrant.

(b) **Investments in Foreign Operations**

18. Cash Store Financial also has investments in the following foreign operations:

- 18.3% of the outstanding common shares of The Cash Store Australia Holdings Inc. ("AUC"), which operated payday loan branches in Australia under the name "The Cash Store Pty". Gordon Reykdal and Edward McClelland are directors of AUC. AUC is publicly listed on the TSX Venture exchange under the symbol "AUC". In December of 2012 the Alberta, Ontario and British Columbia Securities Commissions issued cease trade orders in respect of the shares of AUC for failure to file financial statements. On September 13, 2013, The Cash Store Pty appointed a voluntary administrator pursuant to Section 436A of the *Australian Corporations Act* 2001. The Administrator has taken control of the operations and assets of The Cash Store Pty and an application to have the cease trade orders revoked has been withdrawn by AUC.

- 15.7% of the outstanding common shares of RTF Financial Holdings Inc., a private company in the business of short-term lending by utilizing highly automated mobile

technology (SMS text message lending). RTF Financial Holdings Inc. currently operates in the UK but is not granting new loans at this time.

(c) **Banking and Cash Management System**

19. Cash Store Financial's active subsidiaries have their own bank accounts with CIBC and each branch's account has its own bank account identifiers. The bank accounts do not segregate the cash belonging to each subsidiary into Unrestricted and Restricted Cash (discussed below). Unrestricted and Restricted Cash are comingled. There is a central cash management system in place, including all bank reconciliations, all accounts payable and payroll (with the exception of the UK corporations, which processes their own accounts payable and payroll).

20. In order to maintain minimum bank balances and prevent overdrafts (which are not permitted by CIBC), cash is transferred between legal entities and bank accounts as necessary on a daily basis.

21. In addition to its accounts with CIBC, Cash Store has certain bank accounts with RBC and BMO which accept deposits from branches in certain locations where a CIBC branch is not available. As needed, cash is swept from the RBC and BMO accounts to CIBC operating accounts. As funding is required for the UK operations, Cash Store will purchase British Pounds Sterling and transfer funds from CIBC to the UK companies' bank accounts with Barclays.

22. The chart set out below summarizes the movement of funds:

Outgoing Cash Flows - Consumer Lending	
Prepaid Debit/ Credit Card	If a customer elects to receive his/her loan on a prepaid card product, the card is loaded by a third-party service provider, Direct Cash Payments Inc. The cash for the total card loads is settled to Cash Store's operating accounts by Direct Cash Payments Inc. daily, one day in arrears via a pre-authorized debit. The reconciliation process is done centrally.

EFT	If a customer elects to receive his/her loan via EFT, Cash Store's internal system aggregates the EFTs and they are processed centrally twice per day.
Cheque	If a customer elects to receive his/her loan via Cheque, each branch is equipped with blank cheque stock and prints the cheque itself.
Incoming Cash Flows - Consumer Lending	
POS Payments	Customers may elect to repay obligations through POS terminals at each branch. Funds are collected by a third-party payment processor, Direct Cash Payments Inc. on Cash Store's behalf. The funds are remitted via EFT to Cash Store on a daily basis one day in arrears.
Pre-Authorized debits	Pre-authorized debits to customer accounts are processed by a third-party, DC Bank, on behalf of Cash Store. PAD collections are settled to Cash Store 5 business days after the effective date of the PAD.
Cash/Cheques	Cash and cheques may be received by the branches or the centralized collections centre. Each branch performs its own physical daily deposits of cash and cheques.
Other Payment Methods	Customers are also able to pay via other electronic means, such as bill payment functionality with their financial institution. These payments are processed centrally.
Outgoing Cash Flows - Corporate (Accounts Payable)	
Wire transfer	All wire transfers are processed centrally by treasury through CIBC or Barclays.
EFT	All EFT's are processed centrally through CIBC or Barclays.
Cheque	All accounts payable cheques are processed centrally either via the Canadian or UK head office.

(d) **Chief Place of Business**

23. Cash Store's chief place of business is the Province of Ontario. There are 176 Cash Store branches located in Ontario, which is the largest number of Cash Store branches in any province or territory where Cash Store operates. Currently, Cash Store has approximately 470 employees in Ontario, more people than Cash Store employs in any other province or territory. Cash Store's Chief Compliance and Regulatory Affairs Officer is located in Toronto

because Cash Store is facing its most significant regulatory challenges in Ontario (discussed in more detail below).

24. The Ontario operations of Cash Store accounted for $57.6 million in revenue for FY 2013, roughly 30% of Cash Store's total revenue, more revenue than any other province or territory. Furthermore, Cash Store Financial is listed on the TSX and files all of its public disclosure documents in Ontario. Cash Store Financial is a corporation incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B16 and its registered office is located in Toronto. The impact of court and regulatory decisions (discussed below) has significantly curtailed Cash Store's Ontario revenues. Addressing the Ontario regulatory issues will be one of the key aspects of Cash Store's proposed CCAA proceeding.

The Business of Cash Store Financial

(a) **Canadian and UK Payday Lending Industries**

25. The Canadian payday lending market is $2.5 billion in loan volume annually, and consists of 1.8 – 2.5 million consumers. It has been a stable market with regard to market size and risk profile and remained stable through recent macroeconomic fluctuations. Neither demand for Cash Store services nor loss rates were negatively affected through the 2008/2009 recession.

26. The Canadian market is not growing and is largely saturated by a number of providers. Significant new entrants to the Canadian market have been on-line rather than branch based. The payday lending market in Canada is dominated by two main providers, Cash Store and Money Mart, each of which had approximately 35.0% market share before the recent suspension of Cash Store's brokering activities in Ontario. The rest of the market is made up of

various smaller providers of loans. Two U.S. providers have or are currently withdrawing from the market. Advance America (the largest U.S. payday lender) withdrew in 2012 and currently Cash Max is converting 29 branches in Ontario from payday lending to Cash Converters.

27. The UK payday lending market is still developing. The estimated market is £2 to £2.2 billion in 2011/12, up from an estimated £900 MM in 2008/09. This corresponds to between 7.4 million and 8.2 million new loans issued.

(b) **Cash Store Customers**

28. It is estimated that forty-seven percent of Canadians live from paycheck to paycheck. Of this forty-seven percent segment, approximately twenty percent (seven to ten percent of Canadians) experience cash flow problems and use payday loans. Cash Store customers rely on the services Cash Store provides, as they often are unable to access traditional bank products from other financial institutions.

29. Cash Store's branches made or arranged over 1.3 million individual advances in FY 2013. Cash Store's customer satisfaction rating is high, at 88% in Canada and 93% in the UK.

(c) **Products and Services**

30. Cash Store acts as both a broker and lender of short-term advances and offers a range of other products and services to help customers meet their day to day financial service needs. The chart set out below summarizes the products offered by Cash Store:

Consumer Loans & Line of Credit	
Payday	- Bridge loans to help customers span temporary cash shortfalls or meet emergency or unexpected expenses

	- Short-term non-collateralized loans - Typically range from $100 to $1,500.
Signature	- Short-term loan against a government source of income (Child Tax, Disability, Pension, Employment Insurance)
Title	- Secured against vehicle, up to 12 months in duration - Can be refinanced or paid out
Lines of Credit	- Up to $5,000 unsecured - Helps customers to rebuild their credit - Customers borrow as needed and repay at any time - Minimum payments are due at regular intervals - Introduced early in FY 2012
Injury Claims	- Immediate cash for personal injury claims awaiting payout - Provided by Rhino Legal Finance Inc., a third-party provider who contracts with Cash Store Financial to provide this service
Diversified Financial Products	
Bank Accounts: Standard & Premium	- Provided by DC Bank, a schedule 1 bank that has a contract with Cash Store Financial to provide this service - Gives customers access to a variety of services - CDIC insured
Cheque Cashing	- Fast turn around - Funds transferred electronically; branches do not hold cash
Prepaid Credit Card	- Supplied by DC Bank and MasterCard - Provides the convenience of a credit card without interest - Can be used online - Preloaded with funds for daily transactional needs and access to cash at ATMs
Prepaid Debit Card	- Supplied by DC Bank - Preloaded with funds for daily transactional needs and access to cash at ATMs
Money Transfer	- Provided by RIA Financial Services, a third party provider who contracts with Cash Store Financial to provide this service - Provides an easy and reliable way to pay bills or send and receive funds worldwide
Payment Insurance	- Covers outstanding loan balances in the event of unexpected

	events such as: involuntary unemployment, accidental injury, critical illness, death, dismemberment

(i) **Payday Loans – Direct Lending: Alberta, British Columbia, Nova Scotia, Saskatchewan, UK**

31. In January 2012, Cash Store Financial completed a private placement of $132.5 million of 11.5% senior secured notes (the "Notes") and used most of the net proceeds of this offering to acquire a portfolio of consumer loans from TPLs. The Notes are discussed in more detail below. With the acquisition of the loan portfolio, Cash Store began funding payday loans directly in Alberta, British Columbia, Nova Scotia, and Saskatchewan. Cash Store also funded payday loans directly in Ontario and Manitoba until the product offering in those provinces was switched to brokered lines of credit. These six provinces all enacted payday loan legislation (discussed below).

32. Cash Store typically arranges for advances to customers that range from $100 to $1,500. In order to receive an advance, a customer is generally required to provide proof of income, copies of recent bank statements, and identification. The customer must then either write a cheque or execute a pre-authorized debit agreement for the amount of the advance plus loan fees. Where customers pay by cheque, Cash Store defers depositing the cheque until the due date of the loan, which is the customer's next payday (normally between 14 days and 31 days, but no later than 62 days as prescribed by regulations).

(ii) **Payday Loans – Brokering*:* New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island, Yukon**

33. For loans that Cash Store brokers on behalf of customers, the application process and documentation requirements are similar to those for direct lending. After an application is

completed and other relevant information is obtained from a customer, Cash Store brokers the customer's loan request to TPLs. Based on approval criteria established by the TPLs, the customer's eligibility for an advance is assessed. If the customer is approved, Cash Store provides the TPL's loan documentation to the customer. Upon fulfillment of the loan documentation requirements, Cash Store is authorized by the lender to forward the cash advance to the customer on behalf of the lender. When an advance becomes due and payable, the customer must make repayment of the principal and interest owing to the lender through Cash Store, which, is then retained in Cash Store's operating bank account until redeployed to new borrowers. Cash Store earns fees on these transactions. If there is difficulty with the collection process, the customer's account may be turned over to an independent collection agency.

(iii) **Line of Credit Products – Brokering: Manitoba, Ontario**

34. On October 1, 2012 in Manitoba and February 1, 2013 in Ontario, Cash Store launched new line of credit products and stopped offering payday loans in those provinces. The lines of credit are unsecured, medium term revolving credit lines, with regular minimum payments tailored to customers' needs and profiles. The line of credit products are all brokered products, except a small number of Cash Store's "Elite" lines of credit, which Cash Store ceased offering in March 2014. Similar to what is described above for brokered payday loans, TPLs provide the funds for the line of credit, Cash Store arranges the line of credit, and Cash Store earns fees on these transactions. The proceeds from the brokered line of credit products are handled in the same way as the proceeds from the brokered payday loans. Cash Store ceased to offer its line of credit products in Ontario as of February 12, 2014 (discussed below).

(d) **Branch Locations**

35. Cash Store owns and operates Canada's largest network of retail branches in the alternative financial products and services industry, with 509 branches across Canada operating under the banners "Cash Store Financial", "Instaloans" and "The Title Store." Cash Store has a market share of approximately one third of all payday loan branches in Canada.

36. On April 14, 2010, Cash Store opened its first branch in the UK and has since expanded its operations to include 27 branches in the UK under the banner "Cash Store Financial".

37. The typical format for a branch is a small, strategically located storefront in a strip mall. Substantially all of Cash Store's branches are in facilities leased from third party landlords, as is Cash Store's corporate headquarters. Many of Cash Store's branch leases are with large retail landlords who lease several locations to Cash Store. The leases for branches are generally for terms of 5 years with some granting Cash Store options to renew beyond such a term.

38. Cash Store's corporate headquarters are located in Edmonton, Alberta and Cash Store Financial's registered office is located in Toronto, Ontario. Cash Store has branches in all of Canada's provinces and territories except Quebec and Nunavut. The following chart sets out Cash Store's current branch locations by geographical region:

Location	**Number of Cash Store Locations**
Ontario	176
Alberta	120
British Columbia	97
Saskatchewan	33
United Kingdom	27

Location	Number of Cash Store Locations
Manitoba	25
Nova Scotia	25
New Brunswick	14
Newfoundland & Labrador	13
P.E.I.	3
Northwest Territories	2
Yukon Territory	1
Total	**536**

(e) **Employees**

39. Cash Store employs approximately 1,700 hourly and salaried active employees in Canada and approximately 140 employees in the UK who rely on the continued existence of Cash Store for their livelihoods. 170 of Cash Store's active employees are located at the headquarters in Edmonton.

40. A typical branch is staffed by 3 to 4 employees, including both full and part-time associates and a branch manager. Branch managers are compensated through base salary and company-paid benefits, while associates are paid hourly wages. In addition, some of these individuals are eligible to receive profitability bonuses. Cash Store has also established a group RRSP for employees with over one year of service.

41. In addition to the above, Cash Store has a stock option plan for certain employees, officers and directors. In November 2013, Cash Store introduced a share unit plan for senior executives, vice presidents, and/or members of the management team to reduce its reliance on stock options and to incentivize management through payment of compensation related to

appreciation of Cash Store Financial shares and performance goals. No share units have yet been issued. Cash Store also introduced a director deferred share unit plan to link a portion of annual director compensation to the future value of Cash Store Financial shares. Cash Store has issued 219,073 units under the director deferred share unit plan.

42. There are no registered pension plans for Cash Store management or other employees.

(f) **Community Work**

43. Cash Store is committed to social responsibility and to supporting the communities in which it does business. Its fundraising efforts for various charitable organizations make a difference in the lives of Canadians. In the past, Cash Store has partnered with the Canadian Diabetes Foundation to raise money for diabetes research and to build national understanding about the disease. In FY 2013, Cash Store hosted 15 Freedom Runs and sponsored 5 runs for diabetes, helping to contribute over $1 million to this cause.

The Financial Position of Cash Store

44. As a publicly traded company listed on the TSX, Cash Store Financial's consolidated financial statements are filed on SEDAR. A copy of Cash Store Financial's audited consolidated financial statements for the fiscal year ended September 30, 2013 is attached as Exhibit "A". A copy of Cash Store Financial's interim consolidated financial statements for the three months ended December 31, 2013 is attached as Exhibit "B". Certain information contained in the December 31, 2013 consolidated financial statements is summarized below. All amounts in this affidavit are in Canadian Dollars.

(a) **Assets**

45. As at December 31, 2013, Cash Store had total assets of $176,255,000.

(i) **Current Assets**

46. Cash Store's current assets (as at December 31, 2013) represented $78,364,000 of its total assets and consisted of:

(1) Unrestricted Cash - $10,553,000;

(2) Restricted Cash - $6,408,000;

(3) Consumer advances receivable, net - $34,804,000;

(4) Other receivables, net - $8,332,000;

(5) Prepaid expenses and other assets - $2,584,000; and

(6) Income taxes receivable - $15,683,000.

47. The majority of Cash Store's current assets consisted of consumer advances receivable and income taxes receivable. With respect to consumer advances receivable, the above number incorporates appropriate aging of the receivables.

48. "Restricted Cash" (discussed below) can only be used for consumer lending. As at December 31, 2013, $6,408,000 of Restricted Cash included $706,000 of funds held by a financial institution as security related to banking arrangements and $5,702,000 transferred from TPLs in excess of consumer loans written to customers and cumulative losses. As of February 28, 2014, the total amount of Restricted Cash had climbed to $12,961,000.

49. The amounts transferred from TPLs to Cash Store Financial are reflected in the Restricted Cash amounts and certain off-balance sheet accounts receivable. A corresponding liability is recognized to the TPLs in accrued liabilities equal to Restricted Cash.

(ii) **Non-Current Assets**

50. Cash Store's non-current assets (as at December 31, 2013) represented $97,891,000 of its total assets and consisted of:

(1) Deposits and other assets - $2,792,000;

(2) Deferred financing costs - $5,836,000;

(3) Property and equipment, net of accumulated depreciation - $16,735,000;

(4) Intangible assets, net of accumulated amortization - $32,843,000; and

(5) Goodwill - $39,685,000.

51. The majority of Cash Store's non-current assets are made up of property and equipment, intangible assets, and goodwill.

(b) **Liabilities**

52. As at December 31, 2013, Cash Store's total liabilities were approximately $184,984,000. These liabilities consisted of current liabilities of approximately $35,979,000, and non-current liabilities of approximately $149,005,000.

(i) **Current Liabilities**

53. Current liabilities as at December 31, 2013 included the following:

(1) Accounts payable - $2,242,000;

(2) Accrued liabilities - $31,263,000;

(3) Current portion of deferred revenue - $1,000,000;

(4) Current portion of deferred lease inducements - $355,000; and

(5) Current portion of obligations under capital leases and other obligations - $1,119,000.

(ii) **Non-Current Liabilities**

54. Cash Store's non-current liabilities (as at December 31, 2013) included:

(1) Deferred revenue - $ 2,668,000;

(2) Deferred lease inducements - $596,000;

(3) Obligations under capital leases and other obligations - $3,386,000;

(4) Long-term debt - $139,496,000; and

(5) Deferred income taxes - $2,859,000.

55. The $139.5 million owing in respect of long-term debt is made up of the $12.0 million advanced by the Senior Lenders under the Credit Agreement (discussed below) and $127.5 million owing to the Senior Secured Noteholders (also discussed below). The Notes are recorded at a discount to the face value ($132.5 million) and accreted to the par value over the five year term using the effective interest rate method.

56. The $31.3 million of accrued liability includes an amount of $6.4 million "due to TPLs" in respect of the reported Restricted Cash amount.

(c) **Revenue**

57. Cash Store has experienced a sharp drop in financial results over the past two years, despite the fact that net revenues have remained steady. Net revenue decreased from $189.9 million in FY 2011 to $187.4 million in FY 2012 and increased to $190.8 million in FY 2013. Net revenue decreased from $49.5 million for the three months ended December 31, 2012 to $45.2 million for the three months ended December 31, 2013. Earnings before interest taxes depreciation and amortization (EBITDA) decreased from positive $27.4 million in FY 2011 to negative $31.7 million in FY 2012 and increased to negative $1.0 million in FY 2013. EBITDA for the three months ended December 31, 2013 was $1.0 million as compared to $6.5 million for the three months ended December 31, 2012.

(d) **Stakeholder Amounts**

58. The chart below sets out the relationship of certain stakeholders to Cash Store:

Stakeholder	Maturity Date	Amount	Rate of Return
Senior Secured Lenders ("Senior Lenders")	November 29, 2016	$12 million	12.5%
Senior Secured Notes ("Noteholders")	January 31, 2017	$132.5 million Subordinated to Senior Lenders	11.5%
Third Party Lenders ("TPLs")		$42.0 million Consisting of the TPL Funds originally advanced, including funds deployed in brokered loans, Restricted Cash, and cumulative losses	Effectively 17.5%

(i) **Senior Lenders**

59. On November 29, 2013, Cash Store Financial entered into a credit agreement (the "Credit Agreement") with Coliseum, 8028702 Canada Inc. and 424187 Alberta Ltd. (collectively, the "Senior Lenders"), pursuant to which the Senior Lenders have to date provided $12.0 million of secured loans. The loans are guaranteed by Cash Store Financial, The Cash Store Inc., TCS - Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., The Cash Store Limited, The Cash Store Financial Limited, and CSF Insurance Services Limited (collectively, the "Guarantors"). A copy of the Credit Agreement (without schedules) is attached as Exhibit "C". A copy of the press release dated December 5, 2013 announcing that Cash Store Financial had entered into the Credit Agreement is attached as Exhibit "D".

60. 424187 Alberta Ltd., which loaned $2.0 million of the $12.0 million drawn, is a company controlled by Cash Store Financial's CEO and a director, Gordon Reykdal. Coliseum, which loaned $5.0 million of the $12.0 million drawn, owns 19.27% of the common shares of Cash Store Financial and is also a Noteholder. 8028702 Canada Inc., which loaned the remaining $5.0 million of the $12.0 million drawn, is a company controlled by the same person who controls McCann Family Holding Corporation, one of Cash Store Financial's principal TPLs. The loans under the Credit Agreement were used to fund operations and growth in key business areas.

61. Pursuant to the Credit Agreement, 424187 Alberta Ltd. (the "Agent") acts as agent for the Senior Lenders. The loans made under the Credit Agreement bear interest at 12.5% per annum, payable monthly in arrears, on the 29th day of each month. If a default occurs under the Credit Agreement, the interest rate is increased by 2% after the occurrence and during the continuance of such default.

62. The Credit Agreement provides that an additional $20.5 million may be advanced for a total maximum loan amount of $32.5 million. The Senior Lenders have a right of first refusal in respect of any additional advances. If the Senior Lenders do not exercise their right of first refusal, Cash Store Financial is free to obtain loan advances from other lenders who agree to become party to the Credit Agreement. The loans outstanding at any time are subject to the requirement that the maximum amount outstanding cannot exceed 75% of the Unrestricted Cash of Cash Store Financial plus 75% of the net consumer advances receivable of Cash Store Financial not more than 90 days in arrears (the "Borrowing Base"). If the total amount outstanding under the loan at any time exceeds the Borrowing Base, Cash Store Financial must repay to the Senior Lenders, on a pro rata basis, an amount which will result in the loans not being in excess of the Borrowing Base. Such payment must be made within 20 days of the month-end in which the Borrowing Base was exceeded.

63. Loans made under the Credit Facility mature on November 29, 2016 or on such earlier date as the principal amount of all loans owing from time to time plus accrued and unpaid interest and all other amounts due under the Credit Agreement may become payable under the Credit Agreement. Cash Store Financial may repay the loans at any time subject to payment of specified prepayment fees.[1]

64. Cash Store Financial agreed to designate the loans made under the Credit Agreement as priority lien debt and obtain the benefit of the security granted by Cash Store Financial pursuant to the Collateral Trust and Intercreditor Agreement ("Collateral Trust

[1] The prepayment fees are as follows: (a) If the prepayment is on or before November 29, 2014, the greater of (A) the interest that would accrue if the prepaid amount were to remain outstanding until November 29, 2014 and (B) 4% of the prepaid amount; (b) If the prepayment is after November 29, 2014 but on or prior to November 29, 2015, 3% of the prepaid amount; and (c) If the prepayment is after November 29, 2015, no fee.

Agreement") entered into in connection with the Notes. A copy of the Collateral Trust Agreement is attached as Exhibit "E".

65. In addition to certain covenants relating to the repayment of the loans and the authority of Cash Store Financial to enter into the Credit Agreement, Cash Store Financial has covenanted in favour of the Senior Lenders:

(a) to comply with the covenants granted to the 11.5% Noteholders;

(b) not to designate any additional debt under the Collateral Trust Agreement; and

(c) to meet certain Adjusted EBITDA targets on a quarterly basis over the term of the Credit Agreement.

66. Upon the occurrence and during the continuance of a default, the Senior Lenders have a right to accelerate the obligations under the Credit Agreement, the right to instruct the Agent to begin the process to realize on the security under the Collateral Trust Agreement and the right, but not the obligation, to appoint a financial advisor to review the affairs of Cash Store Financial and to appoint a director to the Board.

67. Cash Store Financial was in compliance with the financial covenants of the Credit Agreement as at December 31, 2013 and therefore, the amounts drawn were classified as long-term debt on Cash Store Financial's balance sheet. However, Cash Store Financial breached a number of covenants in the Credit Agreement at the end of March 2014, which breaches are either defaults under the Credit Agreement or will give rise to defaults under the Credit Agreement with the passage of time. Senior Lenders may rely on the defaults to exercise their remedies under the Credit Agreement, including demanding immediate repayment of the amounts drawn and exercising their rights under the security if Cash Store cannot reach an

agreement with the Senior Lenders to amend or waive the covenant breaches. Cash Store does not have the ability to immediately repay the amounts owing to the Senior Lenders.

68. On March 31, 2014, Cash Store requested a Waiver from the Senior Lenders of the following: (i) the failure to pay interest when due on March 29, 2014; (ii) the failure to achieve the $10 million minimum Adjusted EBITDA for the first 6 months of fiscal 2014; (iii) exceeding the Borrowing Base and not being able to make the required repayment within 20 days of same; and (iv) Cash Store's inability to represent that it is duly qualified to carry on business in all jurisdictions in which it carries on business unless such failure to so qualify would not constitute a material adverse effect under the Credit Agreement. To date, no response has been received.

(ii) **Noteholders**

69. On January 31, 2012, Cash Store Financial issued, through a private placement in Canada and the U.S., $132.5 million of 11.5% Senior Secured Notes. A copy of the Note Indenture is attached as Exhibit "F".

70. The Notes mature on January 31, 2017 and bear interest on the aggregate principal amount from the date of issue at 11.5% per annum payable on a semi-annual basis in equal installments on January 31 and July 31 of each year, commencing in July of 2012. The Notes were issued at a price of 94.608% resulting in an effective interest rate of 13.4%. Cash Store Financial used the majority of the proceeds of the Notes to acquire a portfolio of consumer loans and certain intangible assets, and to settle pre-existing relationships with certain TPLs.[2]

[2] On January 31, 2012, Cash Store Financial acquired a portfolio of short-term advances from TPLs for total consideration of $116,334,000. At the date of acquisition, the gross contractual principal and accrued interest of the acquired short-term advances was $319,906,000.

71. The Notes are guaranteed, jointly and severally, by the same entities that are Guarantors under the Credit Agreement. Pursuant to the Collateral Trust Agreement, the Notes are secured on a second-priority basis by liens on all of Cash Store Financial's and its restricted subsidiaries' existing and future property, subject to specified permitted liens and exceptions. The Credit Agreement is secured by a first-priority lien on this collateral.

72. The Notes are redeemable at the option of Cash Store Financial, in whole or in part, at any time on or after July 31, 2014 at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest:

For the Period Below	**Percentage**
On or after July 31, 2014	103.084%
On or after January 31, 2015	102.091%
On or after July 31, 2015	101.127%
On or after January 31, 2016	101.194%
On or after July 31, 2016	100%

73. Prior to July 31, 2014, Cash Store Financial is entitled at its option, in certain circumstances, on one or more occasions to redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 111.5% of the principal amount of the Notes redeemed, plus accrued and unpaid interest.

74. If a change in control of Cash Store Financial occurs, the Noteholders will have the right to require Cash Store Financial to purchase all or a portion of the Notes, at a purchase price in cash equal to 101% of the principal amount of the Notes offered for repurchase plus accrued interest to the date of purchase.

75. Upon the commencement of the CCAA proceeding, Cash Store will no longer be in compliance with the covenants in the Note Indenture and the $139.5 million owing in respect of long-term debt will become immediately due and payable. Cash Store does not have the ability to repay the Notes at this time.

(iii) **Third Party Lenders**

76. Cash Store has entered into written business agreements with a number of TPLs who are prepared to lend to Cash Store's customers or to purchase advances originated by Cash Store (the "Broker Agreements"). Pursuant to the Broker Agreements, the TPLs make loans to Cash Store's customers and Cash Store provides services to the TPLs related to the collection of documents and information from Cash Store's customers, as well as loan repayment services. Cash Store collects fees for brokering these transactions. Copies of the Broker Agreements for Trimor Annuity Focus Limited Partnership #5 ("Trimor"), McCann Family Holding Corporation ("McCann"), 1396309 Alberta Ltd., Omni Ventures Ltd., and L-Gen Management Inc. are attached as Exhibits "G","H","I","J", and "K".

77. The Broker Agreements also provide that the TPLs are responsible for losses suffered due to uncollectible advances, provided Cash Store has fulfilled the duties required under the terms of the Broker Agreements. If Cash Store does not properly perform its duties and the TPLs make a claim under the Broker Agreements, Cash Store may be liable to the TPLs for losses they have incurred. However, pursuant to section 7.1 of the Broker Agreements, if any loss is as a result of any act or omission of Cash Store in reliance on any bona fide interpretation of Applicable Law or upon the advice of legal counsel, no liability shall attach to Cash Store.

(A) Restricted Cash

78. Cash Store has received approximately $42.0 million from the TPLs (the "TPL Funds"). The total TPL Funds are comprised of the Restricted Cash (defined below) plus the outstanding balance of the brokered loans and cumulative losses. The Broker Agreements stipulate that the TPL Funds are to be utilized by Cash Store for making advances to broker customers on the TPLs' behalf. The TPL Funds are deployed by Cash Store to broker customers, subsequently received by Cash Store as repayment for such broker loans (subject to loan losses), and then redeployed, repeating the process. In FY 2013, Cash Store deployed the TPL Funds multiple times for total short term advances of $241.4 million, representing 30.9% of Cash Store's total loan volume of $781.8 million.

79. Any TPL Funds received by Cash Store as repayment for any brokered loan that are not currently deployed to Cash Store customers are deposited in Cash Store's bank accounts and are referred to in Cash Store's financial statements as "Restricted Cash". While the Broker Agreements permit the TPLs to require Cash Store to hold the TPL Funds in accounts designated for that purpose, no TPL has designated any account as a Designated Financier Bank Account or a Designated Broker Bank Account. The Restricted Cash is comingled with all of Cash Store's other cash (the "Unrestricted Cash"), and the aggregate of Cash Store's Restricted and Unrestricted Cash is the total cash reported on Cash Store's balance sheet. Cash Store keeps detailed records of the amounts loaned to and repaid by the broker loan customers and the direct loan customers. The funds received from broker loan customers representing principal and interest of the broker loan are included in the Restricted Cash, and funds received from the direct loan customers are included in Unrestricted Cash (along with any broker and other ancillary fees). Since all of these funds are comingled in multiple accounts, it is not possible to know which dollar represents Restricted Cash and which dollar represents Unrestricted Cash.

Furthermore, the exact amount of Restricted and Unrestricted Cash is not calculated by Cash Store until it completes its month-end reconciliation. The month-end reconciliation is usually completed on or about the tenth day after month-end.

(B) Assigning Receivables to TPLs to Free Up Restricted Cash

80. Once the month-end reconciliation is complete, Cash Store compares the amount of total cash in its accounts and the amount of Restricted Cash that should be held on account of TPL Funds. On several occasions, Cash Stores has completed its month-end reconciliation and has found that the amount of Restricted Cash exceeds its total cash (meaning that Cash Store has used the Restricted Cash to fund its intra-month working capital needs). On these occasions, Cash Store has assigned its own direct loan receivables to the TPLs in an amount equal to the difference between Cash Store's total cash and the amount of Restricted Cash recorded on account of the TPLs plus an additional amount to permit Cash Store to meet its anticipated working capital needs for the next month with Unrestricted Cash. These assignments are permitted under the terms of the Credit Agreement and the Note Indenture provided that they are made in the ordinary course of business. These assignments are also permitted under the Broker Agreements and the assignments are disclosed to the TPLs as part of the monthly account statements and reconciliations provided to the TPLs.

81. For example, if at month-end total cash is $15 million and Restricted Cash is $18 million, then Unrestricted Cash is negative $3 million. To address this issue, Cash Store would assign $3 million of direct loan receivables to the TPLs to ensure there is sufficient Restricted Cash, plus an additional $5 million dollars of direct loan receivables to meet its anticipated minimum working capital needs for the next month, resulting in $10 million of Restricted Cash and $5 million of Unrestricted Cash. Cash Store could then make $10 million of brokered loans

using Restricted Cash and use the $5 million of Unrestricted Cash to fund operating expenses and make direct loans. Total cash never changes when implementing these assignments.

82. The assignment of receivables essentially results in a greater portion of the TPL Funds being deployed to Cash Store's customers. For every dollar of receivables assigned to the TPLs, there is a dollar for dollar increase in the amount of Unrestricted Cash. During FY 2013 and FY 2012, as part of the normal course of operations, Cash Store assigned $14.3 and $17.6 million (respectively) of net consumer advances receivable to TPLs in exchange for cash.

(C) Amount of Restricted Cash

83. As of February 28, 2014, there was $12.2 million in Restricted Cash available for consumer lending and Unrestricted Cash of $0.2 million. Since Cash Store has been receiving repayments of loans in Ontario but not re-lending, the amount of Restricted Cash has increased dramatically. Final accounting is not yet available as at March 31, 2014 however, it is estimated that the amount of Restricted Cash has increased to approximately $14.9 million and exceeded the total amount of cash in Cash Store's bank accounts. In light of the circumstances facing Cash Store, the decision of whether to make assignments to address this issue was deferred.

(D) Voluntary Retention Payments

84. Cash Store has historically made voluntary retention payments to TPLs in order to lessen the impact of loan losses. Since I have been at my role at the company the TPL Funds have been managed in the following manner:

(1) **Monthly Lender Distributions:** Cash Store pays TPLs cash payments so that, when combined with portfolio returns (interest collected, net of losses), the TPLs receive approximately 17.5% return per year on the total TPL Funds.

(2) **Capital Protection:** (a) Expensing Mechanism – Cash Store provides protection to the TPLs in respect of losses arising from brokered loans that remain unpaid after 90 days. The protection consists of crediting the TPLs with a retention payment as a book entry in the amount of the losses suffered by the TPLs. Cash Store in turn records these retention payments as an expense on its balance sheet. No cash is paid to the TPLs by the Cash Store in respect of these retention payments. The effect of these book entry retention payments is that (i) the TPL Funds are not eroded by losses; (ii) the Restricted Cash balance is increased by the amount of the retention payment; and (iii) the Unrestricted Cash balance is decreased by the amount of the retention payment.

(b) Purchasing Mechanism – In Ontario and Manitoba, Cash Store also effects retention payments by purchasing past due brokered loans (including any past due direct loans that were previously transferred to the TPLs) at face value to prevent any erosion of the TPL Funds. These purchases are an additional mechanism (and an alternative to the expensing mechanism described above) to prevent the TPLs from incurring any of the losses inherent in the past due brokered loans. Cash Store incurs losses equal to the difference between the purchase price and the fair value of the purchased brokered loans and recognizes the losses as retention payments. Cash Store's purchase of past due brokered loans also has the benefit of allowing Cash Store to collect the past due amounts without engaging a third-party agency for collection and without itself being licensed as a collections agency.

85. The Broker Agreements between Cash Store and the TPLs do not contemplate retention payments. The Broker Agreements also do not guarantee repayment or a specified rate of return on the TPL Funds. However, if the TPLs were to no longer participate in the brokering of advances to Cash Store's customers, Cash Store would lose the anticipated future revenue related to the brokering of advances. Under the broker model, Cash Store makes voluntary retention payments to the TPLs to encourage them to continue making funds available to Cash Store. The Board of Directors regularly approves a resolution authorizing Cash Store to pay up to a certain amount of retention payments per quarter to TPLs. Retention payments are recorded in the period in which a commitment is made to a lender.

86. In March 2014, given Cash Store's liquidity issues and ongoing stakeholder discussions, Cash Store did not make any voluntary retention payments to TPLs, including the monthly lender distribution of approximately 17.5% per year.

Urgent Need for Relief

87. Cash Store is facing 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 immediate and dire liquidity challenges.

(a) **Regulatory Issues**

88. With respect to the completeness and accuracy of the information in the regulatory and litigation sections of my affidavit, I have specifically relied on information provided to me by Michael Thompson, Senior Vice President & Corporate Affairs, and Jerry Roczkowsky, Vice President of Compliance, of Cash Store Financial.

89. Regulations affecting Cash Store's primary product offerings of payday loans and lines of credit significantly affect Cash Store's ability to successfully operate and execute its business strategy.

90. In May 2007, the federal government enacted a bill clarifying that the providers of certain payday loans were not governed by the criminal interest rate provisions of the *Criminal Code*, R.S.C., 1985, c. C-46 (the "Criminal Code"), granting lenders (other than most federally-regulated financial institutions) an exemption from the criminal interest rate provisions of the Criminal Code if their loans fell within certain dollar amount and time frame maximums. In order for payday loan companies to rely on the exemption, provincial governments are required to enact legislation that includes a licensing regime for payday lenders, measures to protect consumers and maximum allowable limits on the total cost of borrowing.

91. Since late 2009, the Canadian payday loan market has been in transition from an unregulated market to varying states of regulation. The provinces that have enacted specific payday loans legislation pursuant to the federal exemption are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia. The key components of payday loans regulation are caps on the loan size, length and fees that can be charged. Typically regulations limit payday loans to a maximum of $1,500 and 62 days in duration as well as providing a rate cap.

92. While regulatory issues have affected the industry as a whole, they have had a more severe impact on Cash Store due to its particular business model. Cash Store's strategic objective was to achieve a single platform universally deployed across jurisdictions with its line of credit product suite. The operational impacts of multiple regulatory environments have been numerous, creating significant additional costs. Senior Management has been required to devote

significant resources to these matters and has retained a Chief Compliance and Regulatory Affairs Officer (the "CCRO") and legal counsel to address these issues (discussed below).

(i) **Ontario Regulatory Issues**

(A) Regulatory Litigation

93. On February 1, 2013, Cash Store launched its suite of line of credit products in Ontario and ceased offering payday loans in that province. With respect to the new line of credit offerings, on April 29, 2013, Cash Store filed an application in the Ontario Superior Court of Justice (the "Ontario Court") seeking a declaration that its basic line of credit was not subject to the Payday Loans Act.

94. On February 4, 2013, the Ontario Registrar issued a proposal to revoke the payday lending licenses of the Cash Store Inc. and Instaloans Inc. Cash Store filed an Appeal with the License Appeal Tribunal on February 19, 2013. However, as Cash Store allowed its payday licenses to expire in Ontario effective July 4, 2013 (since Cash Store was of the view that it could offer lines of credit without such a license), this appeal was withdrawn effective August 15, 2013.

95. Previous to the February 4, 2013 proposal of the Registrar for payday loans, Cash Store submitted an application for judicial review in the Ontario Court, seeking a declaration that certain provisions of the regulations made under the Ontario Payday Loans Act are void and unenforceable. This application was heard on October 2, 2013. On November 5, 2013, the Ontario Court dismissed the application. Cash Store has not appealed this decision.

96. On June 7, 2013, the Director designated under the Ontario Ministry of Consumer and Business Services Act filed an application in the Ontario Court seeking a declaration that Cash Store's basic line of credit is subject to the Payday Loans Act and that Cash Store must

obtain a broker license to offer this product. This application was heard on November 29, 2013 and the decision was rendered on February 12, 2014. The Ontario Court concluded that the basic line of credit is subject to the Payday Loans Act and ordered that Cash Store Financial's subsidiaries, The Cash Store Inc. and Instaloans Inc., are prohibited from acting as a loan broker in respect of its basic line of credit product without a broker's license under the Payday Loans Act. On March 14, 2014, Cash Store commenced an appeal of this decision.

97. On February 12, 2014, Cash Store ceased offering all line of credit products offered to its customers in Ontario branches. A copy of the press release reporting the outcome of the application and the decision to stop offering line of credit products in Ontario is attached as Exhibit "L".

(B) Additional Regulations

98. Additionally, on December 17, 2013, Ontario Regulation 351/13 was filed by the Government of Ontario. Regulation 351/13, made under the Payday Loans Act, prescribes certain categories of credit such that the Payday Loans Act applies to line of credit products offered through the Cash Store's retail banners. Regulation 351/13 required Cash Store to obtain licenses pursuant to the Payday Loans Act in order to continue providing access to certain line of credit products in the Ontario market after February 15, 2014. These regulations are now in force. To comply with the new requirements of the Payday Loans Act, Cash Store applied for the requisite licenses through its operating subsidiaries. A copy of the press release dated December 20, 2013 regarding the announcement of the regulations is attached as Exhibit "M".

(C) Ontario Regulator Refuses to Grant License to Cash Store

99. In response to Cash Store's license application, on February 13, 2014, the Ontario Registrar issued a proposal to refuse to issue a lender's license to Cash Store Financial's

subsidiaries, The Cash Store Inc. and Instaloans Inc., under the Payday Loans Act. A copy of the press release dated February 13, 2014 regarding the proposal to refuse a lender's license is attached as Exhibit "N". The Payday Loans Act provides that applicants are entitled to a hearing before the License Appeal Tribunal in respect of a proposal by the Ontario Registrar to refuse to issue a license.

100. The Cash Store Inc. and Instaloans Inc. allowed the time for appealing this decision to lapse while it was in negotiations with the Ontario Registrar. These negotiations failed to produce a favourable result and on March 27, 2014, the Ontario Registrar issued a final notice of its decision not to grant a license under the Payday Loans Act. Cash Store will not be eligible to re-apply for a license for 12 months from the date of issuance of the final order. If Cash Store chooses to re-apply for a license after such time, Cash Store will be required to provide new or additional evidence for the Ontario Registrar to consider or demonstrate that material circumstances have changed. Cash Store is not currently permitted to sell any payday loan products in Ontario. A copy of the press release dated March 28, 2014 regarding the final order refusing to grant a license is attached as Exhibit "O".

101. All of Cash Store's 172 Ontario branches that operated under the Instaloans and the Cash Store banners have remained open and Cash Store incurred significant operating expenses while it pursued discussions with the Ontario Registrar regarding obtaining a license under the Payday Loans Act. Cash Store intends to keep the majority of its branches open while considering its strategic options. Since Cash Store is unable to make new loans in Ontario, its ability to collect outstanding customer accounts receivable has also been significantly impaired. On April 8, 2014, Cash Store reduced its Ontario staffing to a skeletal staff by commencing a

temporary layoff of approximately 250 Ontario employees. Cash Store is considering closing certain branches in Ontario.

102. As discussed above, the Ontario operations of Cash Store accounted for $57.6 million in revenue for FY 2013, roughly 30% of Cash Store's total revenue. Closure of the Ontario operations will entail significant severance costs for approximately 470 employees.

(ii) **Federal-Provincial Consumer Measures Committee**

103. A federal-provincial Consumer Measures Committee is working collaboratively on a national response to high-cost credit loans. New regulations may affect the title loans and lines of credit offered by Cash Store.

(iii) **Manitoba Regulatory Issues**

104. On October 15, 2013, the Manitoba Consumer Protection Office ("CPO") concluded an investigation of Cash Store. The CPO determined that Cash Store was in violation of Manitoba's maximum legal cost of $17 per $100 on payday loans, which could result in substantial demands for refunds to customers.

105. The CPO issued a refund demand to Cash Store to reimburse 61 identified borrowers for certain fees charged, required or accepted in relation to payday loans in Manitoba during the period of time that it held a valid payday lender licence in the province. The additional fees were charged in relation to cash cards associated with payday loans. More such refund demands may be made.

106. On April 9, 2014, the Manitoba CPO informed Cash Store that it had identified various breaches of *The Consumer Protection Act*, C.C.S.M. c. C200 related to certain disclosure documents issued in respect of broker agreements and advances made to consumers in respect of

lines of credit that had been issued to consumers. The CPO has directed Cash Store to refund roughly $37,000 in brokerage fees paid by consumers in relation to advances made to them by TPLs under 32 lines of credit by April 30, 2014. The CPO also expressed its concern at the number of allegedly non-compliant agreements and the possibility that there are more line of credit agreements that may be in breach of the legislation. The CPO recommended that Cash Store conduct a review of its files to determine whether any other consumers may be owed refunds due to breaches of the legislation.

107. The Government of Manitoba has recently promulgated new legislation that expands the powers of the CPO. Additionally, the government has introduced legislation to regulate high cost credit products. If passed, Cash Store may not be able to profitably make available the line of credit product suite in the Province of Manitoba.

(iv) **British Columbia Regulatory Issues**

108. On March 23, 2012, Cash Store was issued a compliance order (the "Order") and administrative penalty from Consumer Protection BC. The Order directs Cash Store to refund to all borrowers with loan agreements negotiated with Cash Store or its subsidiaries between November 1, 2009 and the date of the Order, the amount of any issuance fee charged, required or accepted for or in relation to the issuance of a cash card.

109. The Order also directed Cash Store to pay an administrative penalty of $25,000 in addition to costs. On November 30, 2012, Consumer Protection BC issued a supplementary compliance order directing that unclaimed refund amounts, to a maximum of $1.1 million be deposited into a consumer protection fund. On December 14, 2012, Cash Store filed a Petition for Judicial Review in the British Columbia Supreme Court seeking an order quashing or setting aside the Order and Supplemental Order, and seeking declarations that it had not contravened

sections 112.04(1)(f) of the *Business Practices and Consumer Protection Act*, [SBC 2004] Ch. 2, or sections 17 and 19 of the Payday Loan Regulation, B.C. Reg. 57/2009. The Petition was heard by the Court on June 26, 27, and 28, 2013 and dismissed in a decision released on January 30, 2014. As at December 31, 2013, the total amount of the supplemental order of $1.1 million was paid by Cash Store and will soon be disbursed to consumers.

(v) **Newfoundland Investigation**

110. There is no provincial regulation of payday loans in Newfoundland. However, the Royal Newfoundland Constabulary and Royal Canadian Mounted Police recently concluded an investigation of Cash Store with regard to alleged violations of the interest provisions in the Criminal Code. While the results of the investigation are not yet known, they have been forwarded to public prosecutors.

(vi) **Nova Scotia**

111. Payday Loan legislation in Nova Scotia requires that licensees offer to deliver to borrower their loan proceeds in cash. Cash Store has attempted to satisfy this requirement by offering to distribute funds to consumers by way of Electronic Fund Transfers. The Province has not been fully satisfied with this approach. If Cash Store cannot resolve related matters, it is possible that an inability to satisfy this regulatory requirement may serve as the basis for a proposal to suspend or revoke the Companies' operating licenses. Any such suspension or revocation would have significant impact on Cash Store's revenues.

(vii) **New Brunswick**

112. In New Brunswick, Cash Store's operating subsidiaries are registered as brokers. This registration is in good standing. In early April, Cash Store received notification that TPLs for which the subsidiaries' broker loans are not properly registered in the province. If registration

is not quickly secured for these TPLs, Cash Store may not be able to broker loans for those TPLs in that province, with the resulting impact on revenue. Since it received this notification, Cash Store has received confirmation that one of the two TPLs who operate in New Brunswick is properly licensed and the other TPL is beginning to take steps to seek a license. Cash Store operates 14 branches in the Province of New Brunswick.

113. In March 2014, the Government of New Brunswick tabled legislation (Bill 55) to regulate the payday loan industry in that province. This legislation, if promulgated, will require the implementation of a licensing regime, various restrictions on business practices by licensed payday lenders and caps on the maximum allowable amount that lenders may charge. It is not known at this time whether or not the legislation will be promulgated and, if rate caps are to be implemented, what they will be and what the impact of such caps will be for licensed lenders. If the legislation is promulgated, Cash Store would have to apply for and be granted a license in order to participate in any lending.

(b) **Significant Litigation**

114. Cash Store's difficult financial position is further threatened by multiple significant litigation matters that Cash Store is defending across Canada and in the United States. As a result of additional legal activity related to the regulatory claims (discussed above) and securities and other class action claims (discussed below), as well as reserves taken for existing litigation and claims, legal expenses have increased significantly from $2.2 million in FY 2012 to $3.8 million in FY 2013. The three months ending December 31, 2013 saw legal expenses of $1.0 million.

(i) **Outstanding Settlement Liability – BC Class Proceeding**

115. On February 28, 2010, the Supreme Court of British Columbia approved the settlement of two related class actions filed against Cash Store. Under the terms of the court approved settlement, Cash Store is to pay to the eligible class members who were advanced funds under a loan agreement, and who repaid the payday loan plus brokerage fees and interest in full, or who met certain other eligibility criteria, a maximum estimated amount including legal expenses of $18.8 million, consisting of $9.4 million in cash and $9.4 million in credit vouchers. The credit vouchers can be used to pay existing outstanding brokerage fees and interest, to pay a portion of brokerage fees and interest which may arise in the future through new loans advanced, or can be redeemed for cash from January 1, 2014 to June 30, 2014. The credit vouchers are not transferable and have no expiry date. After approved legal expenses of $6.4 million were paid in March 2010, the balance of the settlement amount remaining to be disbursed was $12.4 million, consisting of $6.2 million of cash and $6.2 million of vouchers.

116. By September 30, 2010, Cash Store had received approximately 6,300 individual claims with total valid claims being in excess of the settlement fund. As the valid claims exceed the balance of the remaining settlement fund, under the terms of the settlement agreement, the entire settlement fund of $12.4 million was mailed to claimants in November 2012 in the form of cash and vouchers on a pro-rata basis. To date, $5.3 million of the cash portion of the settlement has been redeemed by claimants while $0.8 million is being held in trust by the administrator for future redemptions or to be handled in accordance with unclaimed property laws. To date, approximately $4.3 million of the $6.1 million of vouchers have been redeemed for services or cash. The total remaining liability related to the settlement is approximately $1.8 million.

(ii) **Ongoing Class Proceedings**

117. There are multiple proposed class proceedings filed against Cash Store. Due to the uncertainty surrounding the litigation process, Cash Store is unable to reasonably estimate the range of loss, if any, in connection with these class actions.

118. Cash Store believes that it has conducted business in accordance with applicable laws and is defending each claim. However, the resolution of any current or future legal proceeding could cause Cash Store to have to refund fees and/or interest collected, refund the principal amount of advances, pay damages or other monetary penalties and/or modify or terminate operations in particular jurisdictions. Cash Store may also be subject to adverse publicity. Defense of any legal proceedings, even if successful, requires substantial time and attention of senior officers and other management personnel that would otherwise be spent on other aspects of the business and requires the expenditure of significant amounts for legal fees and other related costs. Settlements of lawsuits may also result in significant payments and modifications to operations. Any of these events could have a material adverse effect on business prospects, results of operations and the financial condition of Cash Store.

119. Cash Store is currently defending the following class action lawsuits which allege breaches of various provincial Payday Loan Regulations, Consumer Protection Acts, and/or the criminal interest provisions of the Criminal Code:

- **British Columbia, September 11, 2012**: Roberta Stewart on behalf of class members who, on or after November 1, 2009 received a loan from the Applicants in British Columbia.

- **Alberta, January 19, 2010**: Shaynee Tschritter and Lynn Armstrong are the representative plaintiffs in this certified class action alleging that Cash Store is in breach of s. 347 of the Criminal Code.

- **Alberta, September 18, 2012**: Kostas Efthimiou on behalf of all persons who, on or after March 1, 2010, received a payday loan from the Applicants.

- **Saskatchewan, October 9, 2012**: John Ironbow on behalf of all persons who, on or after January 1, 2012, received a payday loan from the Applicants**.**

- **Manitoba, April 23, 2010**: Scott Meeking on behalf of all persons in Manitoba and others outside the province who obtained a payday loan from the Applicants. A previous settlement approved by the Ontario Court presumptively resolved claims with respect to loans borrowed by Mr. Meeking, and other Manitoba residents, on or before December 2, 2008. The Manitoba Court of Appeal held that the Ontario settlement was unenforceable in part as notice to the Manitoba residents was inadequate. The class action was certified. Leave to appeal to the Supreme Court of Canada has been granted to both parties and the appeal is tentatively scheduled for November 13, 2014.

- **Manitoba, November 1, 2012**: Sheri Rehill on behalf of all persons who, on or after October 18, 2010, borrowed a payday loan from the Applicants in Manitoba.

- **Ontario, August 1, 2012:** Timothy Yeoman on behalf of class members who entered into payday loan transactions with the Applicants in Ontario between September 1, 2011 and the date of judgment. This class action also makes allegations that Cash Store operated an unlawful business model as it did not provide borrowers with the option to

take their payday loan in an immediate liquid form and thereby misrepresented the total cost of borrowing.

120. The above actions generally seek any or all of the following remedies: restitution or damages for allegedly unlawful charges paid by the class members, repayment of unlawful charges paid by the plaintiff and class members, damages for conspiracy, interest on all amounts found to be owing and legal costs.

121. Additionally, Cash Store was facing investor class actions in Alberta, Ontario, and Quebec alleging that Cash Store made misrepresentations during the period from November 24, 2010 to May 24, 2013 regarding its internal controls over financial reporting and the value of the loan portfolio acquired from TPLs, losses on its internal consumer loan portfolio, and its liability associated with the settlement of the British Columbia Class Action (discussed above). The Quebec and Alberta proceedings were stayed pending the outcome of the Ontario claim. A similar securities class action alleging violations of the Securities Exchange Act of 1934, 15 U.S.C. § 78a, is also being defended by Cash Store in the United States.

122. On March 31, 2014, Cash Store Financial announced that it entered into an agreement in principle to settle all four of the proposed securities class actions. A copy of the press release regarding the settlement is attached as Exhibit "P". The agreement in principle covers all claims related to investments in Cash Store Financial's common shares and Notes acquired or disposed of during the expanded period of November 24, 2010 through February 14, 2014, other than certain rights and claims of Noteholders under the Note Indenture dated January 31, 2012.

123. The proposed settlement provides for a payment in the amount of approximately $9.45 million (all-inclusive) by Cash Store to be fully funded by Cash Store Financial's insurers.

The proposed settlement is subject to the fulfillment of customary conditions including, among other things, the parties entering into a definitive settlement agreement, court approvals, approval of parties other than Cash Store Financial, and the fulfillment of conditions relating to the number of opt-outs from the proposed settlement.

(iii) **Claim by Former Third Party Lender, Assistive Financial Corp.**

124. On September 18, 2013, an action in the Court of Queen's Bench of Alberta was commenced against Cash Store, certain of its officers and affiliates, including The Cash Store Inc., certain of its associated companies, including The Cash Store Australia Holdings Inc. and RTF Financial Holdings Inc., and other corporate defendants, seeking repayment of certain funds advanced to Cash Store, its affiliates and the associated companies by Assistive Financial Corp. ("Assistive"), a former related party TPL. An application for interim relief, including the appointment of an inspector, was brought by the Plaintiffs and was heard by the Court of Queen's Bench of Alberta on December 12, 2013 and a decision has not yet been rendered. The action by Assistive also seeks damages equivalent to $110,000,000 together with interest thereon at the rate of 17.5% per year. Assistive filed for bankruptcy on February 3, 2014 and this action has been stayed while the Trustee reviews and considers this litigation.

(c) **Audit and Special Investigation Fees**

125. Audit and special investigation expenses also jumped significantly in FY 2013 to $4.0 million from $0.9 million in FY 2012. Audit expenses included $1.6 million related to restatements of previously issued financial statements.

126. A special investigation by Cash Store Financial's audit committee resulted in a $2.0 million expense. The audit committee was made aware of written communications that contained questions about the acquisition of the consumer loan portfolio from TPLs in late

January 2012 (the "TPL Transaction") and included allegations regarding the existence of undisclosed related party transactions in connection with the TPL Transaction. In response to this allegation, legal counsel to a previous special committee of independent directors of Cash Store Financial (the "Special Investigation Committee") retained an independent accounting firm to conduct a special investigation. The investigation followed a review conducted by Cash Store Financial's internal auditor under the direction of the audit committee of the Board, and the restatement by Cash Store Financial in December 2012 of its unaudited interim quarterly financial statements and Management's Discussion and Analysis for periods ended March 31, 2012 and June 30, 2012.

127. The investigation covered the period from December 1, 2010 to January 15, 2013 and was carried out over four months. It involved interviews of current and former officers, directors, employees and advisors of Cash Store and a review of relevant documents and agreements as well as electronically stored information obtained from Cash Store computers and those of employees, former employees and directors most likely to have information relevant to the investigation.

128. The Special Investigation Committee has reported its findings on the allegations to the Board of Directors and, consistent with the recommendation made to the Board of Directors by the Special Investigation Committee, the Board of Directors has determined that no further corrections or restatements of previously reported financial statements and other public disclosures are required in relation to the TPL Transaction.

(d) **Voluntary Delisting from the NYSE**

129. On April 2, 2013, Cash Store Financial received notice from the NYSE that it was not in compliance with the US$50 million market capitalization and stockholders' equity

standard for continued listing of its common shares on the NYSE. On February 24, 2014, Cash Store Financial received an additional notice from the NYSE that it had fallen below the NYSE's continued listing criteria requiring listed companies to maintain an average closing price of its listed common shares of not less than US$1.00 over a consecutive 30 trading-day period.

130. On February 28, 2014, Cash Store Financial voluntarily delisted its stock from the NYSE due, in part, to non-compliance with the NYSE's market capitalization and shareholders' equity, as well as its share price requirements. A copy of the press release regarding the delisting dated February 28, 2014 is attached as Exhibit "Q".

(e) **TPL Requests for Return of Restricted Cash**

131. As discussed above, Unrestricted Cash and Restricted Cash are comingled in Cash Store's accounts to form its total cash, which is then used to fund operations. The amount of Restricted Cash on Cash Store's balance sheet is expected to exceed the amount of total cash in Cash Store's bank accounts. In light of the circumstances facing Cash Store, the decision of whether to make assignments to address this issue was deferred.

132. Two TPLs have requested returns of TPL Funds. McCann has made a redemption request as of February 26, 2014 to return all of McCann's TPL Funds. As of February 28, 2014, the McCann portion of Restricted Cash was $6,449,000 and by March 31, 2014 had increased to approximately $7,674,000. On January 23, 2014, Trimor initially made a redemption request of $4.0 million, and subsequently made a redemption request for the balance of its funds in the amount of $23 million on April 4, 2014. The Broker Agreements require 120 days' notice of reduced lending limits. As such, the McCann notice takes effect on or about June 26, 2014 and the initial Trimor request takes effect on or about May 23, 2014. The McCann and Trimor requests are attached as Exhibits "R", "S" and "T".

133. Cash Store does not have sufficient liquidity to fulfill these requests, as the amount of total cash as of March 31, 2014 was approximately $12.6 million. Senior Management has had discussions with McCann and Trimor concerning the redemption requests. On March 20, 2014, Trimor signed a non-disclosure agreement ("NDA") and on March 26, 2014, Trimor attended meetings with Cash Store and the advisors to the Special Committee to discuss the liquidity issues faced by Cash Store. Trimor has been provided with a significant amount of non-public, confidential information under the NDA. The advisors to the Special Committee have also been attempting to negotiate an NDA with McCann. However, McCann did not sign an NDA, and therefore could not attend the March 26, 2014 meeting and could not receive any of the confidential information given to Trimor. As of the date of this affidavit, the redemption requests remain outstanding.

134. On April 4, 2014, counsel for McCann wrote to counsel for the Special Committee, requesting that any funds held by Cash Store on behalf of McCann be returned, or else held in a segregated account. McCann's counsel asserted that the funds are held in trust for McCann and that there is a fiduciary relationship between McCann and Cash Store. McCann's counsel stated that McCann would seek personal remedies against anyone responsible for any dissipation of the alleged trust funds. A copy of the April 4, 2014 McCann letter is attached as Exhibit "U".

135. Counsel for the Special Committee replied on April 8, 2014, and clarified that there is no provision in the McCann Broker Agreement that establishes a trust relationship or imposes a trust on any funds. Furthermore, Cash Store's public disclosure does not describe its relationship with TPLs as constituting a trust relationship. Additionally, counsel for the Special Committee noted that McCann is aware that all funds collected from Cash Store's customers,

including funds collected in respect of loans brokered for McCann, are comingled. A copy of counsel for the Special Committee's April 8, 2014 letter is attached as Exhibit "V".

136. McCann's counsel's response of April 8, 2014 is attached as Exhibit "W". In it, he reiterates his request that money advanced by McCann be placed in a segregated account.

137. On April 4, 2014, Trimor made a redemption request for the balance of its funds in the amount of $23 million. Trimor also requested an immediate and complete accounting of loans brokered on Trimor's behalf, including all funds flowing in and out of Trimor's Designated Broker Bank Account and Designated Financier Bank Account. Trimor stated that it did not consent to any comingling of funds and required that any Trimor funds be held and accounted for separately. A copy Trimor's April 4, 2014 letter is attached as Exhibit "X".

138. On April 9, 2014, counsel for the Special Committee wrote to Trimor and noted that Trimor was aware that all TPL funds are comingled. Furthermore, he confirmed that while Cash Store has an account it uses to receive funds from TPLs with respect to their initial advance and will transfer funds to this account to make distributions to the TPLs from time to time, there has never been a Trimor Designated Broker Bank Account or Designated Financier Bank Account. A copy of the April 9, 2014 letter is attached as Exhibit "Y".

139. A copy of an email from counsel for Trimor dated April 12, 2014 with respect to a potential CCAA filing is attached as Exhibit "Z".

(f) **McCann Files an Injunction**

140. The attempts to negotiate an NDA with McCann continued through the first ten days of April. On the evening of April 10, 2014, the advisors to the Special Committee sent a further revised NDA to McCann which would allow PricewaterhouseCoopers ("PwC") to inspect

Cash Store's documents and records. McCann did not provide a substantive response regarding the NDA. Instead, on April 11, 2014, McCann served Cash Store with an application for an injunction seeking:

(a) An interim and final injunction directing Cash Store to permit PwC to attend at Cash Store's offices to review its books and records in accordance with the Broker Agreement;

(b) An injunction prohibiting Cash Store from (i) comingling, using, converting or otherwise appropriating the funds advanced by McCann pursuant to the Broker Agreement; (ii) directing that the funds be held in a segregated trust account; and (iii) such further and other relief which will preserve the rights of McCann pending the conclusion of the litigation;

(c) An Order directing the Cash Store to account for all funds advanced pursuant to the Broker Agreement; and

(d) A declaration that all funds advanced or subsequently recovered by collection of loans belong to McCann or are held in trust for McCann.

141. McCann also served a statement of claim seeking

(a) A direction that PwC or a suitable alternative accounting firm be granted full and immediate access to the books and records of Cash Store;

(b) The injunction described above;

(c) A declaration or judgment against any parties who have knowingly received the Restricted Cash and an Order for accounting or tracing; and

(d) An Order directing that the Plaintiff's funds be returned by June 19, 2014 or earlier.

142. The Statement of Claim, application for an injunction, and affidavit of Sharon Fawcett are attached as Exhibits "AA", "BB", and "CC".

Restructuring Efforts to Date

(a) **Special Committee**

143. In light of the difficulties faced by Cash Store, on February 19, 2014, the Board of Directors constituted a special committee of independent directors (the "Special Committee") to:

(i) Review and respond to the regulatory developments in Ontario preventing Cash Store from selling payday loan products in Ontario; and

(ii) Carefully evaluate the strategic alternatives available to Cash Store with a view to maximizing value for all of its stakeholders.

144. The Special Committee engaged Osler, Hoskin & Harcourt LLP as its independent legal advisor and Rothschild Inc. ("Rothschild") as its independent financial advisor to assist it in its strategic alternatives review process. A copy of the two press releases dated

February 19 and February 20, 2014 are attached as Exhibits "DD" and "EE". Additionally, Cash Store has engaged Conway MacKenzie Inc. ("Conway") as a financial advisor to assist the Special Committee in evaluating Cash Store's liquidity position as part of the strategic alternatives review process. The engagement letters for Rothschild and Conway are attached as Exhibits "FF" and "GG".

145. Rothschild has informed me that the Special Committee has explored the possibility of a sale, restructuring, refinancing and liquidation.

(i) **Mergers and Acquisitions Process**

146. During the week of March 3, 2014, Rothschild initiated a mergers and acquisitions process to seek a sale or significant investment in Cash Store. Rothschild contacted numerous parties, including financial buyers and strategic buyers based in both Canada and the U.S. Strategic buyers represent companies in the consumer finance and alternative financial services sectors and financial buyers were selected based on past experience in the financial services sector, investments in turnaround situations and their ability and willingness to deploy capital quickly.

147. Many of the parties contacted have been provided with public teasers and several have requested NDAs. As of March 26, 2014, a number of parties had executed NDAs and started their due diligence of Cash Store. A data room has been set up and parties who have executed NDAs have been granted access. Rothschild will be providing parties who have executed NDAs with Cash Store's business plan and a letter requesting proposals by mid-May.

(b) **Appointment of Compliance and Regulatory Affairs Officer**

148. On February 27, 2014, Cash Store Financial announced that it had engaged Michèle McCarthy to fill the newly created position of CCRO. A copy of the related press release dated February 27, 2014 is attached as Exhibit "HH".

149. Ms. McCarthy is an experienced senior executive with experience in numerous roles with global financial services companies. She has previously had mandates which included Chief Legal Officer, Chief Privacy Officer, and Chair of the Board of Directors at significant public and private corporations.

150. As CCRO, Ms. McCarthy reports directly to the Special Committee. The mandate of the CCRO includes the following responsibilities:

- Ensure that Cash Store is in compliance with all federal and provincial legislation, regulations and regulatory directives (the "Governing Legislation");
- Ensure that all documents used in the business of Cash Store are compliant with Governing Legislation;
- Develop procedures to identify, assess and communicate internally any changes or proposed changes to Governing Legislation;
- Foster a constructive relationship between Cash Store and its regulators; and
- Oversee and assist business units within Cash Store in the resolution of compliance issues.

151. In her role as CCRO, Ms. McCarthy is leading discussions with Cash Store's Ontario regulator in an effort to address the regulator's concerns regarding the issuance of a lender loan license to Cash Store Financial and its subsidiaries under the Payday Loans Act.

Relief Sought

152. In preparing this section of the affidavit, I have also consulted with and relied on discussions with Tom Fairfield, Cash Store's financial advisor, and the legal and financial advisors to the Special Committee.

153. Cash Store has made efforts to pursue a restructuring outside of a formal insolvency proceeding. Cash Store's liquidity position continues to significantly deteriorate and the current situation is dire. As noted above, there is too much uncertainty and too many legal and business impediments to continue the process outside of an insolvency proceeding. Senior Management and the Special Committee have expressed concerns regarding Cash Store's ability to sustain adequate liquidity to fulfill current business objectives and maintain going concern operations without commencing a CCAA process. Cash Store is unable to meet its liabilities as they become due and is therefore insolvent.

(a) **Stay of Proceedings**

154. Cash Store urgently requires a stay of proceedings and other protections provided by the CCAA so that it is provided with the breathing space to restructure its affairs and attempt to maximize enterprise value. In particular, the Applicants require a stay of proceedings to prevent the TPLs from attempting to withdraw the TPL Funds pursuant to the terms of the Broker Agreements, the Noteholders from making demands under the Senior Secured Notes and the Senior Lenders from making demands under the Credit Agreement. Such demands would likely result in the cessation of going concern operations for the Applicants absent a stay of proceedings. The Applicants are requesting an initial stay of proceedings until May 14.

155. If the court grants the proposed Initial Order, the Applicants intend to immediately continue the dialogue with its significant stakeholders in an effort to reach agreement on a consensual restructuring plan.

(b) **Interim Financing**

156. Cash Store's liquidity has declined from $13.1 million of reported total cash at the end of February to $12.6 million at the end of March. As of close of business on April 11, 2014 the total cash in Cash Store's bank accounts was approximately $2.9 million. These cash balances include Restricted Cash. The liquidity shortfall is driven primarily by the cessation of lending in Ontario as well as elevated corporate costs associated with ongoing litigation. Because of the nature of the Company's business as a lender of cash, the Company needs to maintain a minimum cash balance of $5 to $10 million to manage ordinary day to day fluctuations in its lending activities.

157. Because of its current liquidity challenges, and as demonstrated in the cash flow forecast (discussed below), Cash Store requires interim financing on an urgent basis to continue going concern operations and to implement the reorganization of its business as part of this CCAA proceeding. Subject to certain terms and conditions, Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC have agreed to act as DIP lenders (the "DIP Lenders") and provide an interim financing facility (the "DIP Facility") of approximately $20.5 million to Cash Store Financial. The term sheet is attached to this affidavit as Exhibit "II".

158. The funds available under the DIP Facility will be used to meet Cash Store's immediate funding requirements during the CCAA proceedings in accordance with the cash flow projections, as well as for the payment of professional fees and other costs and expenses in

connection with the CCAA proceedings. The DIP Facility is guaranteed, jointly and severally, by the same entities that are Guarantors under the Credit Agreement and the Notes and by 1693926 Alberta Ltd. doing business as "The Title Store".

159. Cash Store has agreed to pay the DIP Lenders:

(a) For the first $12.5 million borrowed, interest of 12.5% per year, all of which is to be capitalised (not paid in cash) and added to the outstanding principal balance of the loan to become due and payable on the maturity date of the DIP Facility;

(b) For amounts loaned in excess of $12.5 million, interest of 10.5% per year and payable monthly in arrears in cash on the first business day of each month and on the maturity date, plus 7% per year provided that all such accrued and unpaid interest will be capitalised (not paid in cash) and added to the outstanding principal balance of the loan to become due and payable on the maturity date; and

(c) Agency fees of $30,000 per month while the DIP Facility is in place, DIP Financing fees of 3.5% of $12.5 million plus 5% of $8 million, and certain exit fees that are payable in specific circumstances.

160. It is a condition precedent to the availability of the DIP Facility that the Initial Order be in form and substance satisfactory to the DIP Lenders, including in respect of the granting of the DIP Lenders' Charge (as defined below). The DIP Facility is also provided on the condition that there be no Events of Default or Material Adverse Changes (as defined in the term sheet). The maturity date of the DIP Facility is the earlier of (i) 180 days from the granting of the Initial Order, (ii) the date an Approved Transaction is consummated, (iii) the date a demand for payment is made following an Event of Default, or (iv) the date on which the stay of proceedings

pursuant to the Initial Order expires without being extended or on which the CCAA proceedings are terminated.

161. The DIP Facility is proposed to be secured by a Court-ordered security interest, lien and charge (the "DIP Lenders' Charge") on all of the present and future assets, property and undertaking of Cash Store, including any cash on hand at the day of the filing (the "Property") that will secure all post-filing advances. The DIP Lenders' Charge is to have priority over all other security interests, charges and liens other than the Administration Charge (as defined below) and up to an amount of $1.5 million. The DIP Lenders' Charge will not secure any obligation that exists before the Initial Order is made and will be *pari passu* with the TPL Protections.

162. The DIP Facility includes affirmative covenants providing that the DIP Lenders will engage a Chief Restructuring Officer ("CRO") within 10 days from the issuance of the Initial Order. The DIP Facility permits a certain amount in critical vendor payments, which have been incorporated into the Cash Flows.

163. An alternative interim financing proposal (the "Alternative DIP Facility") was also conditional on a CCAA filing and required a priority DIP charge. The Special Committee, in consultation with its advisors, determined that the DIP Facility had more favourable terms than the Alternative DIP Facility and was in the best interests of Cash Store and its stakeholders.

164. The DIP Facility is critical to the successful restructuring of Cash Store, as it will provide Cash Store with the necessary liquidity to operate as a going concern during these proceedings and, absent an injection of cash at this time, 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.

(c) **Monitor**

165. FTI Consulting Canada Inc. ("FTI") has consented to act as the Monitor of the Applicants under the CCAA. A copy of the Monitor's consent is attached as Exhibit "JJ".

(d) **Administration Charge**

166. In connection with its appointment, it is proposed that the Monitor, along with its counsel, counsel and the financial advisor to the Special Committee, counsel to the Applicants and counsel and the financial advisor to the DIP Lenders will be granted a Court-ordered charge on all of the present and future assets, property and undertaking of the Applicants (the "Property") as security for their respective fees and disbursements relating to services rendered in respect of the Applicants up to a maximum amount of $1.5 million (the "Administration Charge"). The Administration Charge is proposed to have first priority over all other charges.

(e) **Directors' and Officers' Protection**

167. A successful restructuring of Cash Store will only be possible with the continued participation of Cash Store Financial's board of directors (the "Directors"), management and employees. These personnel are essential to the viability of Cash Store's continuing business.

168. I am advised by Marc Wasserman of Osler, Hoskin & Harcourt LLP, counsel for the Special Committee, and believe that, in certain circumstances, directors can be held liable for certain obligations of a company owing to employees. Cash Store estimates, with the assistance of its financial advisor, that these obligations may include unpaid accrued wages which could amount to as much as approximately $3.7 million, unpaid accrued vacation pay which could amount to as much as $1.4 million for a total potential director liability of approximately $5.1 million.

169. The amount of insurance remaining under the Director and Officer primary and excess insurance policies is approximately $28 million. As discussed above, Cash Store and its Directors and Officers are subject to significant litigation and it is not certain that there will be sufficient Director and Officer insurance to cover the defence costs and any potential findings of liability on the part of the Cash Store Directors or Officers. Furthermore, Cash Store has not yet been able to finalize a renewal of the Director and Officer insurance, which is due to expire in July 2014. Cash Store has recently purchased one year run-off insurance under the terms of its primary and excess policies, which will commence on the expiry of those policies.

170. The Directors and Officers have indicated that, in light of the uncertainty surrounding available Directors' and Officers' insurance, their continued service and involvement in this restructuring is conditional upon the granting of an Order under the CCAA which grants a charge in favour of the Directors and Officers of Cash Store in the amount of $2.5 million on the Property of Cash Store (the "Directors' Charge"), the priority of which is still under discussion. The Directors' Charge would act as security for indemnification obligations for the Directors' potential liabilities as set out above.

171. The Directors' Charge is necessary so that Cash Store may benefit from its Directors' and Officers' experience with the business and the alternative financial products industry, and guide Cash Store's restructuring efforts.

172. The members of the Special Committee have indicated that, in light of the uncertainty surrounding available Directors' and Officers' insurance, it is their intention to resign after a Chief Restructuring Officer ("CRO") is appointed by the court and a proper transition can be implemented. To that end, the DIP term sheet provides that a CRO be engaged within 10 days. The members of the Special Committee have indicated that they are only willing to assist

in transferring the Special Committee's restructuring duties to the proposed CRO on the condition that they receive protections akin to that of a CRO from and after the date of the Initial Order. Thus, the Special Committee members' continued service and involvement in this restructuring is conditional upon the granting of an Order under the CCAA which provides that no member of the Special Committee will have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, from and after the date of the Initial Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of such member of the Special Committee.

(f) **TPL Protections**

(i) **Existing Cash-on-hand**

173. Given the position of certain TPLs with respect to the Cash Store's cash-on-hand, it is proposed in the draft Initial Order that the TPLs be granted a Court-ordered charge on Cash Store's Property in the maximum amount of cash-on-hand at the time of filing (the "TPL Charge"). As stated in the DIP term sheet, the sole purpose of the TPL Charge is to ensure that any claims by the TPLs to Cash Store's cash-on-hand are preserved pending a determination by this court. Further, as stated in the DIP term sheet, the TPL Charge is intended to preserve the claims of the TPLs as they existed immediately prior to the effective time of the Initial Order. However, the term sheet states that the TPL Charge shall not grant the TPLs any new, additional, or greater rights than they would have had absent these protections.

174. The draft Initial Order proposes that the TPL Charge will rank *pari passu* with the DIP Lenders' Charge and will only be enforceable by the TPLs as directed by the Court. Given these protections, it is proposed in the draft Initial Order that Cash Store will be permitted to use all of the cash-on-hand for general operating purposes.

(ii) **Post-Filing Brokered Loan Repayments and Post-Filing Brokered Loans**

175. On the date of filing there will be approximately $18.7 million of brokered loans (less than 90 days past due), roughly $11.5 million, or 62%, of which are Ontario loans. The TPLs will likely encounter difficulty collecting outstanding Ontario loans, as the Ontario Cash Store branches are currently unable to broker new loans for customers. Cash Store is not able to predict with any certainty the amount of Ontario loans that will be repaid.

176. As customers repay the TPL brokered loans, Cash Store intends to use this liquidity for the sole purpose of brokering new loans (and not for funding operations or other costs). Cash Store will keep sufficiently detailed records of all post-filing repayments of TPL loans, including principal and interest ("TPL Repayments") and any and all re-advances made by Cash Store such that, as at any time post-filing, the company can determine (i) the amount of all TPL Repayments, (ii) any and all re-advances, and (iii) any still outstanding TPL brokered loans. Cash Store will work with the Monitor to accelerate the existing reconciliation process in order to allow Cash Store to identify on a daily basis the TPL brokered loans and any amounts received in respect of same following the Initial Order (as opposed to the month-end reconciliation process now followed).

177. On a go-forward basis, Cash Store will continue its practice of depositing repayments of TPL brokered loans into Cash Store's general bank account. Cash Store is not in a position to physically segregate the TPL Repayments given the manner in which such repayments are made and limitations with Cash Store's cash management process, including Cash Store's cash management software and that belonging to third parties, DC Bank and Direct Cash Payments Inc.

178. Cash Store has had discussions with the proposed Monitor and has agreed to maintain a minimum cash balance in an amount equal to the TPL Repayment received after the Initial Order and not yet redeployed as new brokered loans.

179. Cash Store will continue to ensure that TPLs receive a return of approximately 17.5% per year (or such lesser amount as may be agreed to) with respect to TPL brokered loans that are repaid and available for redeployment from and after the Initial Order date. Based on this approach, the return will be made on any TPL brokered loan existing as of the date of the Initial

Order that is subsequently repaid and available for redeployment. The return will be calculated so that the 17.5% payment is paid from the Initial Order date on such amounts. These arrangements are also intended to ensure that Cash Store will not make payments on loans in existence on the date of filing that are subsequently defaulted upon.

(g) **Cash Flow Forecast**

180. Cash Store, with the assistance of its financial advisor Conway, has prepared 13-week cash flow projections as required by the CCAA. FTI has reviewed these cash flow projections. A copy of the cash flow projections is attached as Exhibit "KK". The cash flow projections demonstrate that Cash Store can continue going concern operations during the proposed stay period should the proposed DIP Facility be approved.

181. Cash Store anticipates that the Monitor will provide oversight and assistance and will report to the Court in respect of Cash Store's actual results relative to cash flow forecast during this proceeding. Existing accounting procedures will provide the Monitor with the ability to track the flow of funds among the various Applicants.

182. I am confident that granting the Initial CCAA Order sought by the Applicants is in the best interests of the Applicants and all interested parties. Without the DIP Facility, Cash Store faces a cessation of going concern operations, the liquidation of its assets and the loss of its employees' jobs. Cash Store requires an immediate and realistic dialogue with its stakeholders under the protection of the CCAA with the goal of maximizing the ongoing value of the business and continuing employment for its employees. The granting of the requested stay of proceedings will maintain the "status quo" and permit an orderly restructuring and analysis of the Applicants' affairs, with minimal short-term disruptions to Cash Store's business.

EXHIBIT F

Court File No.

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

FACTUM OF THE APPLICANTS

April 13, 2014

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Court File No.

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 IN., 5515433 MANITOBA INC., 1693926 ALBERTA LTD DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

FACTUM OF THE APPLICANTS

PART I – NATURE OF THIS APPLICATION

1. The Cash Store Financial Services Inc. ("Cash Store Financial") and the other applicants listed above (the "Applicants") seek relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA" or the "Act").

2. The Applicants are seeking a stay of proceedings under the CCAA in order to restructure their businesses (as described in the affidavit of Steven Carlstrom sworn on April 13, 2014 (the "Carlstrom Affidavit")) with a view to emerging as a going concern in order to continue providing valued services to their customers. In addition and in particular, the Applicants seek to maintain employment for as many as possible of their approximately 1,840 employees in Canada and the UK (470 of which are in Ontario).[1]

[1] Carlstrom Affidavit, paras. 5, 23 and 39.

3. The stay of proceedings will provide the Applicants with the necessary "breathing space" to allow them to carry out this restructuring, including to engage with their major stakeholders to resolve their current financial difficulties. A restructuring of the Applicants' business – for example, through a transition to a new business model and/or a sale of all or part of the business – will be in the interests of all stakeholders, including employees, customers, landlords, class action plaintiffs, bondholders, third party lenders and other creditors. Without this "breathing space", it is very likely that Cash Store will face bankruptcy and liquidation resulting in materially worse recoveries for all stakeholders.

4. The Applicants are seeking an initial stay of proceedings. Without such relief, demands from secured and other significant creditors, the impact of ongoing litigation and regulatory action, as well as other significant pressures on the operations of Cash Store, will likely result in cessation of going concern operations, to the detriment of all stakeholders. Senior Management has expressed the view that Cash Store can be a viable business once it undergoes the restructuring process. It is therefore appropriate for this Court to grant the breathing space to allow Cash Store to continue its exploration of strategic alternatives to maximize value for all stakeholders, including continued discussion with stakeholders, with the assistance of the proposed Monitor.[2]

5. References to "Cash Store" in this factum refer to all of the Applicants in this proceeding.

[2] See Carlstrom Affidavit, paras. 10 and 153.

PART II – FACTS

6. The facts with respect to this Application are more fully set out in the Carlstrom Affidavit. Capitalized terms in this Factum not otherwise defined have the same meanings as in the Carlstrom Affidavit.

Overview of Cash Store's Business

7. Cash Store is a leading provider of alternative financial products and services, serving individuals (approximately 7 to 10 percent of Canadians) for whom traditional banking may be either inconvenient or unavailable.[3] Cash Store's share of Canada's $2.5 billion payday lending market was, until recently, approximately 35 percent.[4]

8. Cash Store owns and operates Canada's largest network of retail branches in the alternative financial products and services industry, with 509 branches across Canada (located in every province and Territory other than Quebec and Nunavut), as well as 27 branches in the United Kingdom.[5] The largest number of branches (176) is located in Ontario.[6] Cash Store's branches are almost all located in facilities leased from third party landlords, as is Cash Store's corporate headquarters.[7]

9. Cash Store acts as both broker and lender of short-term advances, using a combination of payday loans and lines of credit as its primary consumer lending offerings. It

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3 Carlstrom Affidavit, paras. 3 and 28.

4 This number reflects the market share prior to Cash Store's suspension of brokering activities in Ontario. See Carlstrom Affidavit, paras. 25 and 26. Further discussion of events in Ontario is found at paras. 93 to 102 of the Carlstrom Affidavit.

5 Carlstrom Affidavit, paras. 3, 35, 36, and 38. Cash Store operates its branches under several banners, including "Cash Store Financial", "Instaloans", and "The Title Store".

6 Carlstrom Affidavit, para. 38.

7 Carlstrom Affidavit, para. 37.

earns fees and interest income on these products.[8] In FY 2013, Cash Store's branches made over 1.3 million individual loans, and had a customer satisfaction rating of 88% in Canada and 93% in the UK.[9]

10. Cash Store offers a wide range of financial products and services such as bank accounts, prepaid MasterCard, private label credit and debit cards, cheque cashing, money transfers, payment insurance and prepaid phone cards. A number of these products are offered by means of arrangements with third party providers.[10]

Corporate Structure

11. Cash Store Financial is a publicly held Ontario Corporation that is listed on the Toronto Stock Exchange. It was also listed on the New York Stock Exchange ("NYSE") until its voluntary de-listing on February 28, 2014. The other Applicants are all privately held corporations that are direct or indirect subsidiaries of Cash Store Financial.[11]

12. The main active subsidiaries of Cash Store Financial are The Cash Store Inc. and Instaloans Inc., which act as both lenders and/or brokers, operating in all of the Canadian provinces and territories in which Cash Store has a presence. The other Canadian subsidiaries include: (a) 1693926 Alberta Ltd., which operates "The Title Store" and offers loans secured by a motor vehicle as collateral (not an Applicant in these proceedings); (b) TCS-Cash Store, the lessee for all of the leased corporate stores; and (c) 5515433 Manitoba Inc., which holds property in Manitoba and acts as landlord for two Manitoba corporate stores. Certain other subsidiaries

8 Carlstrom Affidavit, para. 4.

9 Carlstrom Affidavit, para. 29.

10 Carlstrom Affidavit, paras. 4 and 30.

11 Carlstrom Affidavit, para. 11.

are essentially inactive, including The Cash Store Financing Corporation and 1677547 Alberta Ltd. (neither of which is an Applicant in these proceedings), and 7252331 Canada Inc., which formerly acted as a direct payday lender and as lender for the Elite Line of Credit in British Columbia, and currently holds certain receivables.[12]

13. The Applicants include three companies that are incorporated and operate in the United Kingdom. These companies include: The Cash Store Financial Limited (a holding company) and its subsidiaries, The Cash Store Limited (a lender) and CSF Insurance Services Limited (a service provider). At this stage, these three UK companies are not Applicants in this proceeding. However, Cash Store may seek to add them to this proceeding in the future, if circumstances warrant it.[13] In addition, Cash Store Financial holds certain equity interests in foreign operations in Australia and the UK.[14]

14. Cash Store operates a central cash management system, including all bank reconciliations, all accounts payable and payroll (with the exception of the UK corporations, which process their own accounts payable and payroll). Cash is transferred between legal entities and bank accounts, as necessary, on a daily basis. In particular, as discussed further below, the bank accounts do not segregate the cash belonging to each subsidiary into Unrestricted and Restricted Cash (as these concepts are defined below).[15]

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[12] Carlstrom Affidavit, paras. 15 and 16.

[13] Carlstrom Affidavit, para. 17.

[14] Carlstrom Affidavit, para. 18.

[15] Carlstrom Affidavit, paras. 19 and 20.

Direct Lending Business

15. Cash Store operates under two major business models: the direct lending business and the brokered lending business. Cash Store acts as a direct payday lender (as opposed to a broker) in Alberta, British Columbia, Nova Scotia, and Saskatchewan. It also formerly acted as a direct lender in Manitoba and Ontario, until it switched to offering line of credit products in those jurisdictions.[16]

16. In its direct lending business, Cash Store is the lender and typically arranges for advances to consumers that range from $100 to $1,500. To qualify, the customer provides proof of income, copies of recent bank statements, current proof of residence and current telephone and utility bills. The customer must then either write a cheque or execute a pre-authorized debit agreement for the amount of the loan plus loan fees.

17. Cash Store generally obtains payment either by processing the pre-authorized debit or cashing the cheque on the due date of the loan. The due date is generally the customer's next payday, but is never more than 62 days from the date of the advance, in accordance with regulatory requirements.[17]

Brokered Lending Business

18. In the other provinces where Cash Store carries on its lending business (New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island and the Yukon Territory), Cash Store acts as a broker or intermediary on behalf of the customers, with third party lenders ("TPLs") acting as lenders. If the customer's eligibility for a loan is established (which involves similar requirements to those that apply in the direct lending business), the

[16] Carlstrom Affidavit, para. 31. The line of credit product is no longer offered in Ontario due to regulatory issues discussed further below.

[17] Carlstrom Affidavit, para. 32.

customer completes the TPL's loan documentation and Cash Store makes the advance on behalf of the TPL.[18]

19. Brokered loans are repaid to Cash Store in accordance with their terms. Upon repayment, funds are either remitted to the TPL, or more frequently, maintained in Cash Store's operating bank account until redeployed to new borrowers.[19]

20. Cash Store earns fees on brokered loan transactions.[20]

21. The brokerage model has also been applied in Ontario and Manitoba on slightly different basis. In those jurisdictions, the traditional payday loans product was replaced in October 2012 and February 2013, respectively, by a traditional, unsecured, medium term revolving line of credit, with regular minimum payments tailored to customer needs and profiles. All of the line of credit products are brokered, except a small number of Cash Store's "Elite" lines of credit which are no longer offered as of March 2014. TPLs also provide the funding for the brokered line of credit products, which are then arranged by Cash Store in exchange for fees. Proceeds from brokered line of credit products are handled in the same way as the proceeds from other brokered loans.[21]

22. As of February 12, 2014, however, the brokered line of credit product was discontinued in Ontario and no lending activity is currently occurring in Ontario due to

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[18] Carlstrom Affidavit, para. 33.

[19] Carlstrom Affidavit, para. 33.

[20] Carlstrom Affidavit, para. 33.

[21] Carlstrom Affidavit, para. 34.

outstanding issues (discussed further below) regarding compliance with regulatory requirements.[22]

Financial Position of Cash Store

23. Based on its interim financial statements, as of December 31, 2013, Cash Store had total assets of $176,255,000 and total liabilities of approximately $184,984,000.[23]

Indebtedness under Credit Facilities

24. Of the liabilities described above, approximately $139.5 million represents long-term debt. This debt is principally composed of two amounts: $12 million owing to the Senior Secured Lenders under the Credit Agreement (described below) and $127.5 million owing to the Senior Secured Noteholders (also discussed below).[24]

25. On November 29, 2013, Cash Store entered into a credit agreement (the "Credit Agreement") with Coliseum Capital Management, LLC, 8028702 Canada Inc. and 424187 Alberta Ltd. (collectively, the "Senior Secured Lenders"). Pursuant to the Credit Agreement, the Senior Secured Lenders have provided $12 million of secured loans. These loans are guaranteed by certain Cash Store affiliates (the "Guarantors").[25] The loans made under the Credit Agreement mature on November 29, 2016, subject to certain requirements to repay *pro rata* amounts prior to maturity to the extent that the amount outstanding exceeds the borrowing base.[26]

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22 Carlstrom Affidavit, para. 34. See also Carlstrom Affidavit, paras. 93 to 102.

23 Carlstrom Affidavit, paras. 45 and 52. More detailed financial information is contained in the Carlstrom Affidavit at paras. 44 to 54. See also Exhibits A and B to the Carlstrom Affidavit.

24 Carlstrom Affidavit, para. 55.

25 Carlstrom Affidavit, para. 59. See also Exhibit C to the Carlstrom Affidavit.

26 Carlstrom Affidavit, paras. 62 and 63.

26. The loans made under the Credit Agreement are designated as priority lien debt. The security interest of the Senior Secured Lenders ranks ahead of the security interest in Cash Store's property granted in favour of the Senior Secured Noteholders (described below).[27] Upon default, the Senior Secured Lenders have the right, *inter alia*, to accelerate the obligations under the Credit Agreement and to realize upon the security.[28] As of March 2014, Cash Store had breached a number of covenants under the Credit Agreement, including the obligation to pay interest when due on March 29, 2014. Such breaches either already constitute defaults or will constitute defaults with the passage of time. Cash Store has sought a waiver of these defaults from the Secured Secured Lenders, who have not responded to date.[29]

27. In January 2012, Cash Store Financial completed a private placement of $132.5 million of 11.5% senior secured notes (the "Notes") under a note indenture (the "Note Indenture") and applied the proceeds to acquiring a portfolio of consumer loans from third party lenders and to settle certain pre-existing relationships with TPLs.[30] The Notes are recorded at a discount ($127.5 million) to their face value and accreted to the par value over the five year term using the effective interest rate method.[31]

28. The Notes mature on January 31, 2017. The Notes are guaranteed by the same Guarantors that guaranteed the loans under the Credit Agreement. The Notes are secured on a second-priority basis by liens on all of Cash Store Financial's and its restricted subsidiaries' existing and future property, subject to certain exceptions. The amounts owing to the noteholders

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[27] Carlstrom Affidavit, para. 64 and Exhibit E.

[28] Carlstrom Affidavit, para. 66.

[29] Carlstrom Affidavit, paras. 67 and 68.

[30] Carlstrom Affidavit, paras. 31, 69 and 70. See also Exhibit F to the Carlstrom Affidavit.

[31] Carlstrom Affidavit, para. 55.

(the "Senior Secured Noteholders") are subordinated to the amounts owing to the Senior Secured Lenders, which are secured by a first priority lien on the same property.[32]

29. Upon commencement of the CCAA proceeding, Cash Store will no longer be in compliance with the covenants in the Note Indenture and the full $139.5 million in long term debt will become immediately due and payable. Cash Store does not have the ability to repay the Notes at this time.[33]

Relationship with theTPLs

30. In connection with its brokered lending business, Cash Store is a party to a number of agreements with the TPLs (the "Broker Agreements"). Under the Broker Agreements, Cash Store earns fees for brokering loan transactions between the TPLs as lender and the customer.[34]

a. "Restricted Cash"

31. Cash Store has received approximately $42 million from the TPLs (the "TPL Funds"). Pursuant to the terms of the Broker Agreements, these funds are contractually required to be used only for the purpose of lending to customers.[35] TPL Funds that are not loaned to customers are held in Cash Store's bank accounts and are designated, for accounting purposes, as "Restricted Cash". Despite its nomenclature, "Restricted Cash" does not represent a segregated fund and is simply an accounting concept. Essentially, "Restricted Cash" is a notional amount that represents the difference between the amount of TPL Funds provided to Cash Store for

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[32] Carlstrom Affidavit, paras. 70 and 71.

[33] Carlstrom Affidavit, para. 75.

[34] Carlstrom Affidavit, para. 76 and Exhibits G to K.

[35] Carlstrom Affidavit, para. 78. See also Exhibits G to K of the Carlstrom Affidavit.

brokered loans to consumers, and the amount of the outstanding brokered loans made with the TPL Funds that have not yet been repaid, together with cumulative losses.[36] All other cash held by Cash Store is accounted for as "Unrestricted Cash".[37]

32. Although the Broker Agreements permit the TPLs to require Cash Store to hold the TPL Funds in a specifically designated account, no TPL has ever exercised its contractual right to require Cash Store to do so (until two TPLs recently and belatedly purported to do so, as described further below). As a result, when TPL Funds are provided by the TPLs, no separate bank account for TPL Funds is, or is required to be, maintained.[38]

33. Moreover, amounts received by Cash Store from borrowers in payment for indebtedness under both direct payday loans and brokered loans funded with TPL Funds are co-mingled in Cash Store's general bank accounts. Until month end, it is not possible to know which dollars represent Restricted Cash and which represent Unrestricted Cash.[39] Repayments received on brokered loans are intended to replenish the source of funds for further brokered lending, and to be redeployed as further brokered loans to customers. These are the amounts that are described for accounting purposes as "Restricted Cash".[40]

34. In order to ensure that Cash Store always knows how much cash that Cash Store is contractually entitled to allocate for additional brokered loans – and how much cash could be subject to a demand for repayment by the TPLs under the terms of the Broker Agreement -- Cash

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36 Carlstrom Affidavit, para. 79.

37 Carlstrom Affidavit, para. 79.

38 Carlstrom Affidavit, para. 79.

39 Carlstrom Affidavit, para. 79.

40 Carlstrom Affidavit, para. 79.

Store keeps detailed records of the amount of Restricted Cash held. Month end reconciliations are generally completed within approximately ten days after month end.[41]

b. "Voluntary Retention Measures"

35. Cash Store has historically taken two types of voluntary measures (not required under the Broker Agreements) to protect the TPLs, to support their "investment" in Cash Store's business and to encourage the TPLs to continue funding the brokered loans. The first of these measures consists of monthly cash retention payments, which combined with portfolio returns, give the TPLs an effective return of 17.5% interest on their "investment" per year (the "Monthly Lender Distribution").[42]

36. The second type of measure can be loosely described as "capital protection" (the "Capital Protection Measures"). These measures are generally designed to protect the TPLs against losses associated with unpaid broker loans. The Capital Protection Measures include both an "expensing mechanism" and a "purchasing mechanism."

(a) Using the "expensing mechanism", if a loan remains unpaid after 90 days, Cash Store will, by means of a book entry, credit the TPL with a retention payment in the amount of the loss. This payment is recorded as an expense on Cash Store's balance sheet, and does not involve any transfer of cash to the TPLs. As a result of this credit and corresponding book entry, the Restricted Cash balance increases, and the Unrestricted Cash balance goes down.

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41 Carlstrom Affidavit, para. 79.

42 Carlstrom Affidavit, para. 84.

(b) The "purchasing mechanism" is used in Ontario and Manitoba as an alternative to the expensing mechanism. Cash Store purchases past due brokered loans from the TPLs at face value and recognizes the difference between the purchase price and the fair value of the loans as a retention payment. Cash Store is then able to take collection measures for these past due loans without having to be licensed as a collection agency or to engage a third party collection agency.[43]

37. Neither the Monthly Lender Distribution nor the Capital Protection Measures are contractually required under the terms of the Broker Agreements. In fact, the Broker Agreements do not guarantee any specific rate of return to the TPLs on the TPL Funds provided to Cash Store. Moreover, subject to certain specific exceptions, the Broker Agreements contemplate that TPL and not Cash Store will bear the risk of loss on the brokered loans.[44]

38. Given that neither the Monthly Lender Distributions, nor the Capital Protection Measures are contractually required, Cash Store did not make the Monthly Lender Distribution and did not implement either of the Capital Protection Measures in March 2014. The extent to which Cash Store will make the Monthly Lender Distributions during the post-filing period is currently being resolved. At the time of drafting, it is proposed that the Monthly Lender Distributions will be made only on the pool of Restricted Cash representing post-filing payments from borrowers actually received by Cash Store which is available for redeployment to future borrowers. The Monthly Lender Distribution will not be made on the full amount of the TPL Funds received, as has been the historic practice, or on the amount of funds represented by loans currently outstanding to borrowers.

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[43] Carlstrom Affidavit, para. 84.

[44] Carlstrom Affidavit, paras. 77 and 85.

c. Transfer of Receivables to "Free Up" Restricted Cash

39. On several occasions, the month end reconciliation has revealed that the amount of Restricted Cash held by Cash Store exceeds its total cash, meaning that Cash Store has used the Restricted Cash to fund its intra-month working capital needs. Cash Store has then transferred its own loan receivables from its direct lending portfolio to the TPLs to "free up" the Restricted Cash by reducing the Restricted Cash balance, together with an additional amount to permit Cash Store to meet its working capital needs during the next month with Unrestricted Cash. This practice is referred to in this factum as the "Receivable Transfers." Like the Capital Protection Measures, the Receivable Transfers are not required under the Broker Agreements, but they are permitted. They are permitted under the Credit Agreement and the Note Indenture, as long as they are made in the ordinary course of business.[45]

40. Cash Store will not continue to make the Receivables Transfers during the post-filing period. The Receivables Transfers will be rendered unnecessary by the proposed accounting measures to be implemented by Cash Store after the filing.

Urgent Need for Relief

41. This application for relief under the CCAA is being brought on an urgent basis due to the confluence of a number of factors that have put extreme pressure on the continued ability of Cash Store to operate as a going concern. The situation is currently described as "dire".[46]

42. These factors include:

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[45] Carlstrom Affidavit, para. 80.

[46] Carlstrom Affidavit, paras. 8, 87 and 152.

(a) Cash Store currently faces numerous regulatory challenges, arising in part out of the relatively recent introduction of payday loan legislation in certain jurisdictions and the transition generally from an unregulated market to a regulated market. These regulatory issues have impacted Cash Store's ability to design one business model for its payday lending business across Canada and exposed Cash Store to increased costs associated with adjusting Cash Store's business model to respond to regulatory change.[47]

(b) Cash Store has encountered specific regulatory issues in relation to its lending business in Ontario and its inability to secure a license as a payday lender under applicable Ontario legislation. An appeal is underway of an Ontario Superior Court of Justice decision that held that Cash Store could not offer its line of credit products in Ontario without a payday lender license. At the current time, Cash Store is receiving payment for outstanding loans, but cannot sell any new payday loan products in Ontario, to the significant detriment of Cash Store's overall business. Although Cash Store's Ontario branches are still open, Cash Store has begun implementing a temporary lay-off of approximately 250 Ontario employees. If Ontario branches are ultimately closed as part of the restructuring, severance costs for some or all of the approximately 470 Ontario employees will be significant.[48]

(c) The regulatory environment is in flux. New regulatory initiatives are being contemplated at both the federal and provincial levels that could further impact

[47] Carlstrom Affidavit, paras. 88 to 92.

[48] Carlstrom Affidavit, paras. 93 to 102.

aspects of Cash Store's business, such as title loans and the lines of credit offered in Manitoba.[49] Cash Store has also recently been subject to regulatory action in British Columbia and Manitoba and to a criminal investigation in Newfoundland.[50] Regulatory issues have also arisen in Nova Scotia and New Brunswick.[51]

(d) In addition, Cash Store is defending a number of significant legal proceedings across Canada and the United States. These proceedings include class actions regarding its business model (primarily involving fees and interest rates charged) and regarding its compliance with securities laws. These proceedings have exposed Cash Store to significantly increased legal costs. The magnitude of any ultimate liability of Cash Store in much of this litigation is difficult to estimate.[52] Cash Store is also subject to additional liabilities in connection with a class action settlement in British Columbia.[53]

(e) Cash Store has recently incurred significant expenses for audit and special investigation fees associated with questions about the acquisition of the consumer loan portfolio from the TPLs in 2012.[54]

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49 Carlstrom Affidavit, paras. 98, 103, 106 to 107.

50 Carlstrom Affidavit, paras. 104 to 106, 108 to 109, 110.

51 Carlstrom Affidavit, paras. 111 to 113.

52 Carlstrom Affidavit, paras. 114, 115 to 123. Note that Cash Store has entered into an agreement in principle to settle four outstanding securities class actions: Carlstrom Affidavit, paras. 122 and 123.

53 Carlstrom Affidavit, paras. 115 to 116.

54 Carlstrom Affidavit, paras. 125 to 128.

(f) Due to Cash Store's inability to comply with the NYSE's market capitalization and share price requirements, Cash Store voluntarily de-listed its stock from the NYSE.[55]

(g) Cash Store does not have the cash to continue to operate. As of February 28, 2014, there was $12.2 million in Restricted Cash available for consumer lending. Since Cash Store has been receiving repayments of brokered loans in Ontario and not re-lending, the amount of Restricted Cash has increased dramatically. Final accounting for March 2014 has not yet been completed. However, it is estimated that Restricted Cash now totals approximately $14.4 million and exceeds the amount of total cash in Cash Store's bank accounts.[56]

(h) Two of the TPLs ("McCann" and "Trimor") have requested the return of the Restricted Cash. Under the Broker Agreements, these "redemption" requests must be addressed by May 23, 2014 and June 26, 2014, respectively. Cash Store currently does not have the liquidity to honour these requests. Trimor has signed a non-disclosure agreement ("NDA") and been participating in discussions with Cash Store and the Special Committee. McCann has not agreed to sign an NDA, and has asserted that the Restricted Cash is held on trust, despite the lack of any trust language or other indicia of an intention to create a trust in the Broker Agreements (as discussed further below). Cash Store has disputed this contention. Efforts to resolve this issue have, to date, not borne fruit. On April 11, 2014, McCann commenced litigation against Cash Store seeking injunctive relief

[55] Carlstrom Affidavit, paras. 129 to 130.

[56] Carlstrom Affidavit, para. 83.

against Cash Store in relation to the TPL Funds and asserting a trust over such funds.[57]

Restructuring Efforts to Date

43. Cash Store requests relief in this proceeding in order to achieve the necessary "breathing space" to restructure its business. Although the exact nature of the restructuring is not yet resolved, Cash Store has already undertaken a number of steps towards such a restructuring:

(a) Cash Store established a Special Committee of its Board of Directors (the "Special Committee") on February 19, 2014, advised by its own legal counsel and financial advisors ("Rothschild"), in order to explore options for a sale, restructuring, refinancing or liquidation.[58]

(b) Cash Store hired a Compliance and Regulatory Affairs Officer, reporting directly to the Special Committee, in order to address issues of regulatory compliance and establish more productive relationships with applicable regulators. Priority is being given to the resolution of regulatory issues in Ontario.[59]

(c) Rothschild has commenced efforts to canvas interest in a sale or investment transaction. As of the date of filing, a number of parties have entered into non-disclosure agreements and begun due diligence of Cash Store.[60]

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57 Carlstrom Affidavit, paras. 131 to 142.

58 Carlstrom Affidavit, paras. 143 to 145.

59 Carlstrom Affidavit, paras. 148 to 151.

60 Carlstrom Affidavit, paras. 145 to 147.

PART III – ISSUES AND THE LAW

44. The issues on this Application are as follows:

(a) are the Applicants insolvent?;

(b) are the Applicants permitted to use existing cash on hand to meet their operating capital requirements during the post-filing period?;

(c) does this Honourable Court have jurisdiction to grant a DIP financing charge on a priority basis over the property of the Applicants and, if so, should the Court exercise its discretion to do so?;

(d) does this Honourable Court have jurisdiction to grant an order entitling the Applicants to make pre-filing payments to critical suppliers and, if so, should the Court exercise its jurisdiction to do so?;

(e) should this Honourable Court exercise its discretion to grant the Applicants' Administration and Directors' Charges (both as defined below); and

(f) should this Honourable Court grant protection to the Chief Restructuring Officer ("CRO") and to the Special Committee on the basis that the Special Committee has been fulfilling the role of CRO and will continue to fulfill this role in these proceedings in the very brief period until the CRO's appointment formally takes effect?

A. THE APPLICANTS ARE COMPANIES TO WHICH THE CCAA APPLIES

45. The CCAA applies to a "debtor company" or affiliated debtor companies where the total of claims against the debtor or its affiliates exceeds five million dollars. Pursuant to section 2 of the CCAA, a "debtor company" means, *inter alia*, a company that is insolvent.[61]

46. Until recently, it was common practice to refer to the definition of "insolvent person" in the *Bankruptcy and Insolvency Act* ("BIA") in order to establish that an applicant is a "debtor company" in the context of the CCAA. The definition of "insolvent person" in the BIA is as follows:

> s.2(1)
>
> … "insolvent person" means a person who is not bankrupt and who resides, carries on business or has property in Canada, whose liabilities to creditors provable as claims under this Act amount to one thousand dollars, and
>
> > (a) who is for any reason unable to meet his obligations as they generally become due,
> >
> > (b) who has ceased paying his current obligations in the ordinary course of business as they generally become due, or
> >
> > (c) the aggregate of whose property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due;

47. In *Re Stelco Inc.*[62], however, Farley J. held that the test for "insolvency" should be given an expanded meaning under the CCAA in order to give effect to the rehabilitative goal of the Act. The Court in that case concluded that it would defeat the purpose of the CCAA to limit or prevent a CCAA application until the financial difficulties of the applicant are so advanced that the applicant would not have sufficient financial resources to successfully complete its restructuring. Under the *Stelco* approach, a Court will determine whether there is a reasonably foreseeable expectation at the time of filing that there is a looming liquidity crisis that

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61 CCAA, sections 2 and 3(1).

62 (2004), 48 C.B.R. (4th) 299, 2004 CarswellOnt 1211 (Ont. S.C.J. [Commercial List]), leave to appeal to C.A. refused 2004 CarswellOnt 2936 (Ont. C.A.), leave to appeal to S.C.C. refused 2004 CarswellOnt 5200 (S.C.C.).

will result in the applicant running out of money to pay its debts as they generally become due in the future without the benefit of a stay of proceedings. Put another way, an applicant does not necessarily need to be balance sheet insolvent to qualify as a "debtor company" under the CCAA. As Farley J. wrote:

> It seems to me that the CCAA test of insolvency advocated by Stelco and which I have determined is a proper interpretation is that the BIA definition of (a), (b) or (c) of insolvent person is acceptable with the caveat that as to (a), a financially troubled corporation is insolvent if it is reasonably expected to run out of liquidity within reasonable proximity of time as compared with the time reasonably required to implement a restructuring.[63] [Emphasis added.]

48. The Applicants are all affiliated debtor companies with total claims against them exceeding $5 million. Moreover, the Applicants are insolvent.[64]

49. Moreover, the Applicants are facing a significant liquidity crisis, exacerbated by (among other things) the regulatory issues in Ontario. Cash Store's liquidity has deteriorated significantly over recent months and is continuing to do so. Senior Management and the Special Committee have expressed concerns regarding the degree of uncertainty, and the number of business and legal impediments to continuing the exploration of strategic alternatives for Cash Store's business outside an insolvency proceeding.[65]

50. Cash Store's liquidity has declined from $13.1 million of total cash at the end of February to $12.6 million at the end of March, and is projected to decline significantly to approximately $5 million at the end of April. These cash balances include so-called Restricted

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63 *Re Stelco*, *supra*, at para. 26.

64 Carlstrom Affidavit, paras. 1 and 8. See *Re First Leaside Wealth Management Inc.*, 2012 ONSC 1299, 2012 CarswellOnt 2559 (Ont. S.C.J. [Commerical List]) at paras. 23 to 31 for the proposition that not all companies within a corporate group need to be insolvent in order to benefit from an initial order.

65 Carlstrom Affidavit, para. 8.

Cash. Cash Store's business depends on its ability to lend. As such, it requires a minimum of $5 to $10 million to manage ordinary day-to-day fluctuations in its lending activities.[66]

51. As of March 31, 2014, Cash Store had defaulted under several covenants in the Credit Agreement, entitling the Senior Secured Lenders to accelerate the obligations under the Credit Agreement and enforce their security. Cash Store does not have the funds to repay the Senior Secured Lenders.[67] Upon commencement of the CCAA proceeding, Cash Store will no longer be in compliance with the Note Indenture, and this portion of its long-term debt will also become immediately due and payable. It goes without saying that Cash Store does not have the funds to repay the Notes at this time.[68]

52. Cash Store is likely insolvent under the BIA test, as it is currently unable to meet its liabilities as they come due.[69] In any event, all of the above factors indicate that Cash Store faces exactly the type of "looming liquidity crisis" that was held in *Stelco* to satisfy the test for insolvency under the CCAA.

C. USE OF EXISTING CASH ON HAND

53. Cash Store's cash flows depend on its ability, during the post-filing period when the stay of proceedings is in effect, to use its cash on hand as of the date of filing (the "Existing Cash") for its operating capital requirements, even though so-called Restricted Cash exceeds Cash Store's total cash. Moreover, the proposed DIP Facility (described below) currently

66 Carlstrom Affidavit, para. 155.

67 Carlstrom Affidavit, para. 67.

68 Carlstrom Affidavit, para. 75.

69 Carlstrom Affidavit, para. 8.

contemplates that Cash Store should have access to the Existing Cash for general operating purposes.

54. The TPLs have challenged Cash Store's ability to use Restricted Cash for anything other than the permitted purposes under the Broker Agreements. McCann has initiated a legal proceeding seeking, among other things, injunctive relief and declaratory orders on the basis that the Restricted Cash is held on trust for the TPLs.[70] If the Initial Order is granted, this proceeding will be stayed.

55. The requirements to establish an express trust are well-established and well-known. It is necessary to demonstrate the existence of the "three certainties". These are: certainty of intention; certainty of subject-matter (or trust property); and certainty of objects (beneficiaries). In order to demonstrate certainty of intention to create a trust, it is not necessary to use any particular technical words. However, the intention must be clear.[71] Generally, the requirement is for the settlor of the so-called "trust" to use the words "in trust" or "as trustee for", although these words are not always indispensable.[72] Given the consequences for the recoveries of the Senior Secured Lenders and the Senior Secured Noteholders of a finding that the TPL Funds or the Restricted Cash are subject to a trust, it is particularly important in the context of these proceedings to find a clear intention to create a trust.

56. Cash Store strongly opposes any allegation that the TPL Funds or the Restricted Cash – and therefore some or all of the Existing Cash -- are subject to any trust obligations. Cash Store submits that the actions by the TPLs to belatedly assert trust obligations in this

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70 Carlstrom Affidavit, paras. 140 to 142.

71 D.W.M. Waters, *Law of Trusts in Canada*, 4th ed. (Toronto: Carswell, 2012) at pp. 140 to 141 [*Waters*].

72 *Waters, supra*, at p. 144.

context are a blatant attempt to obtain an unjustified priority over the Senior Secured Lenders and the Senior Secured Noteholders. If the TPLs had intended to impose trust obligations in relation to the TPL Funds or the Restricted Cash, they are sophisticated parties who could easily have done so. Moreover, if they had wanted any security over Cash Store's obligations to repay TPL Funds or Restricted Cash pursuant to the terms of the Broker Agreements, they could easily have negotiated such protections.

57. There are five Broker Agreements in place with TPLs.[73] These Broker Agreements are in similar form and contain similar terms. It is submitted that there is a complete absence of any indication in the Broker Agreements that the TPL Funds, or the Restricted Cash, were intended to be held on any type of trust for the benefit of the TPLs.

58. There is no language whatsoever in any of the Broker Agreements that purports to create an express trust over the TPL Funds when they are received by Cash Store, or over the Restricted Cash (i.e. the payments received by Cash Store for indebtedness under brokered loans). Nowhere, with the exception of one agreement, is the word "trust" even used.

59. The Omni Agreement states that a limited trust obligation does apply, but only when a customer defaults. In those circumstances (and only those circumstances), Cash Store is expressly required to hold 70% of collected amounts in trust.[74] The presence of this limited trust language, in contrast to the complete silence in the Broker Agreements regarding any other intention to create a trust, is convincing evidence that if the parties had intended to create a trust

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[73] These Agreements include: Broker Agreement with Omni Ventures Ltd. dated January 31, 2012 ("Omni Agreement"); Broker Agreement with L-Gen Management Inc. dated January 31, 2012 ("L-Gen Agreement"); Broker Agreement with 1396309 Alberta Ltd. dated January 31, 2012 ("Numberco Agreement"); Broker Agreement with TriMor Annuity Focus Limited Partnership dated February 1, 2012, as amended April 17, 2013 ("TriMor Agreement") and Broker Agreement with McCann Family Holding Corporation dated June 19, 2012 ("McCann Agreement"). See Exhibits G to K to Carlstrom Affidavit.

[74] Omni Agreement, section 7.2.

obligation in relation to the TPL Funds or the Restricted Cash, they were more than capable of doing so – and they did do so when they wanted to. There is no legal basis for reading in any additional trust obligations.

60. Cash Store submits that the terms of and the historic practices under the Broker Agreements – for example, the payment of the Monthly Lender Distributions, the absence of any requirement to "flow through" funds received from borrowers in payment of brokered loans to the TPLs, and the fact that the TPL Funds and Restricted Cash are not required to be segregated from Cash Store's general operating cash – are entirely inconsistent with the existence of trust obligations.[75] Cash Store's public disclosures also do not indicate that the TPL Funds are subject to any trust obligation.[76] Use of Cash Store's Existing Cash, even if some or all of it is Restricted Cash, is not a "dissipation" of trust funds, contrary to the allegations of one TPL.[77] It is clear that no trust exists over either the TPL Funds or the Restricted Cash.

61. As soon as Restricted Cash is received in repayment of a brokered loan, it is immediately commingled with all of Cash Store's Unrestricted Cash. The TPLs have the contractual right under the Broker Agreements to require Cash Store to hold TPL Funds in a designated account. To date, the TPLs have not exercised this contractual right, with the exception of their belated requests that accompany recent demands for the return of the TPL Funds by the TPLs.[78] In any event, any requirement to keep track of TPL Funds or Restricted Cash through separate accounts cannot change the correct characterization under the Broker

[75] Carlstrom Affidavit, paras. 79 and 84.

[76] Carlstrom Affidavit, para. 135.

[77] Carlstrom Affidavit, para. 134.

[78] Carlstrom Affidavit, paras. 131 to 142.

Agreements of the TPL Funds and the Restricted Cash and miraculously transform them into trust funds, if they do not already have the characteristics of trust funds.

62. Cash Store's position is that either the Broker Agreements create an unsecured debt in the amount of the TPL Funds, or the TPL Funds are provided to Cash Store as an equity investment in the business. At best, the TPL Funds were advanced as an interest-free loan, subject to a contractual requirement to use those funds for a particular purpose. Any failure by Cash Store to comply with the use requirement, with a request to create a designated account, or with a demand for repayment of the TPL Funds may therefore be a breach of contract, which if proven, would give rise to an unsecured damages claim.

63. Since the TPLs do not hold any security for repayment of the TPL Funds, the TPLs are in no better or worse position than any other unsecured creditor whose claims will go unpaid during the stay period, contrary to the terms of the debtor's agreement with that creditor. In fact, if Cash Store were to repay TPL Funds at this point, or accede to the request to create a designated account with a view to bolstering a trust claim, such conduct could, in light of Cash Store's current financial difficulties, constitute a transfer at undervalue or preference.

64. Given that these matters are the subject of a dispute between the parties that cannot be resolved either through negotiation or court order prior to the granting of the Initial Order, the Initial Order will contain protections for the TPLs, including a charge in favour of the TPLs (the "TPL Charge") in the amount of the Existing Cash that will rank *pari passu* with the proposed DIP Lender's Charge (defined below). The exact terms of these TPL protections is unresolved at the time of drafting and is subject to further negotiation. However, the TPL Charge will not be enforceable unless and until it is determined that some or all of the Existing Cash is trust money.

65. The objective is to ensure that Cash Store has the immediate right to use the Existing Cash, while protecting any future ability of the TPLs to assert that these funds are trust money (a position that Cash Stores believes is without merit). Cash Store submits that these TPL protections will avoid granting the TPLs more leverage in these proceedings than they are entitled to have, given the terms of the Broker Agreements and the history of the relationship with the TPLs.

D. JURISDICTION AND DISCRETION TO GRANT A DIP FINANCING CHARGE ON A PRIORITY BASIS

66. It is abundantly clear that Cash Store cannot restructure its business without interim financing to allow it to continue to operate during the post-filing period while it considers the best options to maximize recovery for all stakeholders.[79]

67. Subject to certain conditions, including the granting of the Initial Order, Coliseum Capital Partners LP, Coliseum Capital Partners II, LP and Blackwell Partners LLC have agreed to provide the Applicants with an interim financing facility (the "DIP Facility") in the amount of up to $20.5 million. The DIP Facility is intended to provide the Applicants with adequate liquidity to satisfy their working capital requirements and to seek a complete restructuring as part of a CCAA proceeding.[80]

68. At the time of drafting, the terms of the DIP Facility were subject to ongoing negotiation. However, it is clear that the DIP Facility will be secured by a priority charge over the assets of Cash Store (the "DIP Lender's Charge") that will rank ahead of existing security interests, including the Senior Secured Lenders and the Senior Secured Noteholders, and *pari*

[79] Carlstrom Affidavit, paras. 9, 10 and 154.

[80] Carlstrom Affidavit, para. 9.

passu with the TPL Charge. The DIP Lender's Charge will rank behind the Administration Charge and the Directors Charge (described below).

69. Section 11.2 of the CCAA gives the Court the statutory authority to grant a debtor-in-possession ("DIP") financing charge:

> **11.2(1)** ***Interim Financing*** – On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge – in an amount that the court considers appropriate – in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.
>
> **11.2(2)** ***Priority*** – ***Secured Creditors*** – The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.
>
> …

70. Section 11.2(4) of the CCAA sets out the following factors to be considered by the Court in deciding whether to grant a DIP financing charge:

> **11.2(4)** ***Factors to be considered*** – In deciding whether to make an order, the court is to consider, among other things:
>
> (a) the period during which the company is expected to be subject to proceedings under this Act;
>
> (b) how the company's business and financial affairs are to be managed during the proceedings;
>
> (c) whether the company's management has the confidence of its major creditors;
>
> (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;
>
> (e) the nature and value of the company's property;
>
> (f) whether any creditor would be materially prejudiced as a result of the security or charge; and
>
> (g) the monitor's report referred to in paragraph 23(1)*(b)*, if any.

71. Before the above sections of the CCAA were enacted in 2009, it was well established that courts could exercise their broad and flexible powers under the CCAA to

approve DIP financing and provide that it be secured by a charge on the debtor company's assets, with priority, where appropriate, over prior security interests.[81] The 2009 amendments to the CCAA codify and clarify earlier practice but do not limit the court's broad discretion to grant orders that further a debtor's overall restructuring objectives, including in respect of DIP financing. As stated by Pepall J:

> In no way do the amendments change or detract from the underlying purpose of the CCAA, namely to provide debtor companies with the opportunity to extract themselves from financial difficulties notwithstanding insolvency and to reorganize their affairs for the benefit of stakeholders. In my view, the amendments should be interpreted and applied with that objective in mind.[82]

72. In *Re Ted Leroy Trucking*, the Supreme Court of Canada recently affirmed the broad discretion of a CCAA court and the inherent flexibility of the statute in furtherance of the CCAA's overarching objective of facilitating the abilities of debtors to restructure their businesses as going concerns.[83]

73. Any prejudice to existing creditors from a DIP Charge must be "material" in order to weigh in the balance. Moreover, even if it can be established that some creditor is materially prejudiced, this factor is only one factor to be considered in equal measure with the others listed in s. 11.2(4) of the CCAA.[84]

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81 *Re Temple City Housing Inc.* (2007), 42 C.B.R. (5th) 274, 2007 CarswellAlta 1806 (Alta. Q.B.) at para. 14, leave to appeal to C.A. refused 2008 CarswellAlta 2 (Alta. C.A.); *Skydome Corp. v. Ontario* (1998), 16 C.B.R. (4th) 118, 1998 CarswellOnt 5922 (Ont. Gen. Div. [Commercial List]) at para. 9.

82 *Re Canwest Global Communications Corp.* (2009), 59 C.B.R. (5th) 72, 2009 CarswellOnt 6184 (Ont. S.C.J. [Commercial List]) at para. 24 [*Re Canwest Global*].

83 *Re Ted Leroy Trucking [Century Services] Ltd.*, 2010 SCC 60, 2010 CarswellBC 3419 (S.C.C.) [*Re Ted Leroy Trucking*].

84 *Re League Assets Corp.*, 2013 BCSC 2043, 2013 CarswellBC 3408 (B.C. S.C.) at para. 57.

74. As noted above, pursuant to s. 11.2(1) of the CCAA (Interim financing), the DIP Lender's Charge may not secure an obligation that existed before the order was made. The requested DIP Lender's Charge will not secure any pre-filing obligations.

75. The following factors also support the granting of the DIP Lender's Charge, many of which incorporate the considerations enumerated in s. 11.2(4) above:

(a) the Cash Flow Forecast projects that the Applicants will require the additional liquidity afforded by the DIP Facility in order to continue to operate through the pendency of the proposed CCAA proceeding; [85]

(b) the Applicants' business is intended to continue to operate on a going concern basis during this proceeding under the direction of Senior Management with the assistance of the Applicants' advisors and the proposed Monitor;

(c) it is anticipated that the DIP Facility will provide the Applicants with sufficient liquidity to implement restructuring initiatives – such as a sales process and/or a transition to a new business model -- which will materially enhance the likelihood of a going concern outcome for the business of the Applicants;

(d) to the extent that the court, under the amended CCAA, must still weigh relative prejudices in determining whether to grant the DIP Lender's Charge, any prejudice to secured creditors is minimal because the proposed DIP Lender is one of the Senior Secured Lenders and one of the Senior Secured Noteholders; moreover, the amount of the proposed DIP Facility is within the permitted "basket" under the Note Indenture;

(e) any prejudice to the secured creditors must be weighed against the stark reality that the only alternative to a CCAA restructuring is a liquidation, which will likely result in significantly worse recoveries, even for the secured creditors;

(f) the proposed DIP Lender has indicated that it will not provide a DIP Facility if the DIP Lender's Charge is not approved and the Initial Order is not approved in form and substance satisfactory to the DIP Lender;

(g) the DIP Lender's Charge will not secure any pre-filing obligations;

(h) secured creditors have either been given notice of the DIP Lender's Charge, or are not affected by it; and

(i) the Applicants anticipate that the proposed Monitor will file a report addressing the DIP Facility, including the DIP Lender's Charge.

76. Accordingly, the Applicants submit that this Honourable Court ought to grant the DIP Lender's Charge in the amount of up to $20.5 million and approve the DIP Credit Agreement.

E. ENTITLEMENT TO MAKE PRE-FILING PAYMENTS TO CRITICAL SUPPLIERS

77. In the draft Initial Order the Applicants also seek authorization for Cash Store to make, if necessary and with the consent of the Monitor, a limited amount of payments -- up to $700K -- to critical suppliers, whether such obligations were incurred prior to or after the filing date. Such payments are permitted under the proposed DIP Facility and contemplated in the Cash

[85] Carlstrom Affidavit, para. 157.

Flow Forecast. Cash Store is not requesting that a charge be granted to secure these payments, nor is Cash Store seeking to have specific suppliers declared as "critical suppliers" at this stage.

78. There is ample authority supporting the Court's general jurisdiction to permit the payment of pre-filing obligations to persons whose services are deemed "critical" to the ongoing operations of the debtor.[86] Although the aim of the CCAA is to maintain the *status quo* while an insolvent company attempts to negotiate a plan of arrangement with its creditors, the courts have expressly acknowledged that preservation of the status quo does not necessarily entail the preservation of the relative pre-stay debt status of each creditor:

> The status quo is not always easy to find. It is difficult to freeze any ongoing business at a moment in time long enough to make an accurate picture of its financial condition. Such a picture is at best an artist's view, more so if the real value of the business, including goodwill, is to be taken into account. Nor is the status quo easy to define. The preservation of the status quo cannot mean merely the preservation of the relative pre-stay debt status of each creditor. Other interests are served by the CCAA. Those of investors, employees, and landlords among them, and in the case of the Fraser Surrey terminal, the public too, not only of British Columbia, but also of the prairie provinces. The status quo is to be preserved in the sense that manoeuvres by creditors that would impair the financial position of the company while it attempts to reorganize are to be prevented, not in the sense that all creditors are to be treated equally or to be maintained at the same relative level. It is the company and all the interests its demise would affect that must be considered. [87]

79. Section 11.4 of the CCAA, which was enacted as part of the 2009 amendments to the CCAA, gives the Court the specific authority to declare a person to be a critical supplier and to grant a charge on the debtor's property in favour of such critical supplier.

> **11.4(1)** ***Critical Supplier*** – On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring a person to be a critical supplier to the company if the court is satisfied that the person is a supplier of goods and services to the company and that the goods or services that are supplied are critical to the company's continued operation.

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86 See for example *Re Smurfit-Stone Container Canada Inc.* (2009), 50 C.B.R. (5th) 71, 2009 CarswellOnt 391 (Ont. S.C.J. [Commercial List]) at para. 21.

87 *Re Alberta-Pacific Terminals Ltd.* (1991), 8 C.B.R. (3d) 99, 1991 CarswellBC 494 (B.C. S.C.) at para. 23.

> **11.4(2)** ***Obligation to supply*** **–** If the court declares a person to be a critical supplier, the court may make an order requiring the person to supply any goods or services specified by the court to the company on any terms and conditions that are consistent with the supply relationship or that the court considers appropriate.
>
> **11.4(3)** ***Security or charge in favour of critical supplier*** – If the court makes an order under subsection (2), the court shall, in the order, declare that all or part of the property of the company is subject to a security or charge in favour of the person declared to be a critical supplier, in an amount equal to the value of the goods or services supplied under the terms of the order.
>
> **11.4(4)** ***Priority*** **–** The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

80. Significantly, section 11.4 does not oust the court's inherent jurisdiction to make provision for the payment of critical suppliers where no charge is requested.[88] As noted by Pepall J. in *Re Canwest Global*, the recent amendments, including under s. 11.4, do not detract from the inherently flexible nature of the CCAA or the Court's broad and inherent jurisdiction to make such orders that will facilitate the debtor's restructuring of its business as a going concern.[89] This inherent flexibility and the discretion of the Court to sanction measures not explicitly contemplated by the CCAA was expressly affirmed by the Supreme Court of Canada in *Re Ted Leroy Trucking*:

> The general language of the *CCAA* should not be read as being restricted by the availability of more specific orders. However, the requirements of appropriateness, good faith, and due diligence are baseline considerations that a court should always bear in mind when exercising *CCAA* authority. Appropriateness under the *CCAA* is assessed by inquiring whether the order sought advances the policy objectives underlying the *CCAA*. The question is whether the order will usefully further efforts to achieve the remedial purpose of the *CCAA* – avoiding the social and economic losses resulting from liquidation of an insolvent company. I would add that appropriateness extends not only to the purpose of the order, but also to the means it employs. Courts should be mindful that chances for successful reorganizations are enhanced where

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88 *Re Canwest Publishing Inc./Publications Canwest Inc.*, 2010 ONSC 222, 2010 CarswellOnt 212 (Ont. S.C.J. [Commercial List]) at para. 50 [*Re Canwest Publishing*].

89 *Re Canwest Global, supra,* at para. 24.

> participants achieve common ground and all stakeholders are treated as advantageously and fairly as the circumstances permit.[90] [Emphasis added.]

81. The requested authorization for Cash Store to make payments to certain critical suppliers, if it is considered necessary to do so in order to facilitate the Applicant's ongoing restructuring efforts and where the Monitor consents, will give the Applicants the flexibility to ensure that they maintain certain essential goods or services that are critical to the survival of their business during the restructuring period. The Applicants submit that this provision is appropriate in the circumstances and should be granted.

F. REQUESTED PRIORITY CHARGES

a. Administration Charge

82. Under the draft Initial Order, the Applicants are requesting that the Monitor, along with its counsel, counsel and the financial advisor to the Special Committee, counsel to the Applicants and counsel and the financial advisor to the DIP Lender be protected by a Court-ordered charge on all of the present and future assets, property and undertaking of the Applicants (the "Property) as security for their respective fees and disbursements (the "Administration Charge"). The Administration Charge – the amount of which at time of drafting is currently being worked out by the Applicants and the Monitor -- will have first priority over all other charges.[91]

83. Prior to the 2009 amendment to the CCAA, administration charges were granted pursuant to the inherent jurisdiction of the Court. Section 11.52 of the CCAA now expressly provides that the Court has jurisdiction to grant an administration charge:

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[90] *Re Ted Leroy Trucking, supra,* at para. 70.

> **11.52(1)** ***Court may order security or charge to cover certain costs*** – On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge – in an amount that the court considers appropriate – in respect of the fees and expenses of
>
> > (a) the monitor, including the fees and expenses of any financial, legal or other experts engaged by the monitor in the performance of the monitor's duties;
> >
> > (b) any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act; and
> >
> > (c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for their effective participation in proceedings under this Act.
>
> **11.52(2)** ***Priority*** – This court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

84. This section is permissive, and does not contain any specific criteria for a court to consider in granting such a charge.

85. In *Re Canwest Global* and *Re Canwest Publishing*, administration charges were granted pursuant to s. 11.52(1). In *Re Canwest Publishing*, Pepall J. provided a non-exhaustive list of factors to be considered in approving an administration charge, including:

> (a) the size and complexity of the businesses being restructured;
>
> (b) the proposed role of the beneficiaries of the charge;
>
> (c) whether there is an unwarranted duplication of roles;
>
> (d) whether the quantum of the proposed charge appears to be fair and reasonable;
>
> (e) the position of the secured creditors likely to be affected by the charge; and
>
> (f) the position of the Monitor.[92]

86. In this case, the restructuring is taking place in a shifting regulatory environment, in circumstances where the Applicants are already subject to numerous regulatory, civil and

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91 Carlstrom Affidavit, para. 165.

92 *Re Canwest Publishing, supra*, at para. 54.

criminal actions, as well as demands from secured and other significant creditors, such as the TPLs. For these reasons alone, the restructuring will be complex and will require the robust involvement of a number of professional advisors. There is no unwarranted duplication of roles, and any secured creditors likely to be affected by the Administration Charge have been provided with advance notice.

87. The amount of the proposed Administration Charge will be established to be commensurate with the complexity of the Applicants' businesses and the tasks required to effect a successful restructuring.

88. The Applicants submit that this is an appropriate circumstance for this Honourable Court to grant the Administration Charge. Each of the professionals whose fees are to be secured by the Administration Charge has played a critical role in the restructuring activities to date and will continue to be instrumental to the Applicants' restructuring activities going forward. It is unlikely that the above-noted advisors will continue to participate in the CCAA proceedings unless the Administration Charge is granted to secure their fees and disbursements. The Applicants are working with the proposed Monitor to estimate the appropriate size of the Administration Charge in view of the scope of the advisors' mandates and the anticipated complexity of the proceeding.

b. Directors' Charge

89. The Applicants seek a directors' and officers' charge (the "Directors' Charge") in an amount that is currently being negotiated. The Directors' Charge would be secured by the property of Cash Store and will rank behind the Administration Charge and ahead of the DIP Lender's Charge.

90. The Directors' Charge is essential to the successful restructuring of the Applicants, which would not be possible without the continued participation of the Applicants' experienced Board of Directors.[93]

91. Pursuant to s. 11.51 of the CCAA, the Court has specific authority to grant a "super priority" charge to the directors and officers of a company as security for the indemnity provided by the company in respect of certain statutory obligations.

> **11.51(1)** ***Security or charge relating to director's indemnification*** – On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of the company is subject to a security or charge – in an amount that the court considers appropriate – in favour of any director or officer of the company to indemnify the director or officer against obligations and liabilities that they may incur as a director or officer of the company after the commencement of proceedings under this Act.
>
> **11.51(2)** ***Priority*** – The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.
>
> **11.51(3)** ***Restriction – indemnification insurance*** – The court may not make the order if in its opinion the company could obtain adequate indemnification insurance for the director or officer at a reasonable cost.
>
> **11.51(4)** ***Negligence, misconduct or fault*** – The court shall make an order declaring that the security or charge does not apply in respect of a specific obligation or liability incurred by a director or officer if in its opinion the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct or, in Quebec, the director's or officer's gross or intentional fault.

92. This provision codifies the earlier practice of CCAA courts to grant directors' and officers' charges providing the directors and officers of debtors with additional protection against liabilities that they could incur during the restructuring and reorganization of their companies.[94] As the Quebec Superior Court stated in *Re JetsGo Corporation* (citing Pamela L.J.

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93 Carlstrom Affidavit, para. 166.

94 *Re General Publishing Co.* (2003), 39 C.B.R. (4th) 216, 2003 CarswellOnt 275 (Ont. S.C.J.) at para. 6, aff'd 2004 CarswellOnt 49 (Ont. C.A.)

Huff and Line A. Rogers in the *Commercial Insolvency Reporter*), a directors and officers charge reflects the specific risks to which these individuals are exposed in the event of an insolvency:[95]

> Thus, against the backdrop of a potential business failure, a CCAA restructuring creates new risks and potential liabilities for another group of critical participants in an insolvency: the directors and officers of a debtor corporation.

93. In *Re Canwest Global,* Pepall J. provided guidance on some of the considerations to be made by the court when applying s. 11.51. In approving the requested directors' charge, Pepall J. stated:

> The purpose of such a charge is to keep the directors and officers in place during the restructuring by providing them with protections against liabilities they could incur during the restructuring: *Re General Publishing Co.* [(2003), 39 C.B.R. (4th) 216)]. Retaining the current directors and officers of the applicants would avoid destabilization and would assist in the restructuring. The proposed charge would enable the applicants to keep the experienced board of directors supported by experienced senior management. The proposed Monitor believes that the charge is required and reasonable in the circumstances and also observes that it will not cover all of the directors' and officers' liabilities in the worst case scenario. In all of these circumstances, I approved the request.[96]

94. Cash Store maintains directors' and officers' liability insurance (the "D&O Insurance") for the directors and officers of the Applicants. The amount of coverage remaining under the D&O Insurance is approximately $28 million. Given Cash Store's involvement in multiple significant litigation proceedings, there is considerable uncertainty about whether this coverage will be sufficient to cover defence costs for the directors and officers and any potential findings of liability. In addition, the directors and officers face the usual potential exposure to employment-related statutory liabilities.[97]

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95 *Re Jetsgo Corp.*, 2005 CarswellQue 2700 (Que. S.C.) at para. 42.

96 *Re Canwest Global, supra,* at para. 48.

97 Carlstrom Affidavit, paras. 167 to 168.

95. The D&O Insurance will expire in July 2014. Cash Store has already purchased one year "run-off" coverage to commence upon expiry of the D&O Insurance. Cash Store has so far been unable to finalize a renewal of the D&O Insurance.[98]

96. Cash Store's directors have indicated that, due to the potential for significant personal liability and the uncertainty surrounding the renewal of the D&O Insurance, they cannot continue their service and involvement in this restructuring unless the Initial Order includes the Directors' Charge. The Directors' Charge will secure the indemnification obligations owed by Cash Store to the directors.[99]

97. The requested Directors' Charge will be established in an amount that is reasonable given the nature of the Applicants' business, the number of employees in Canada and the corresponding potential exposure of the directors and officers to personal liability.

98. For these reasons, it is submitted that this Honourable Court should grant the Directors Charge.

G. PROTECTION FROM PERSONAL LIABILITY FOR THE CRO AND SPECIAL COMMITTEE

99. The draft Initial Order contemplates the appointment of a CRO to act as overseer of the restructuring. As such, the draft Initial Order provides for certain protections from personal liability for the CRO in connection with his or her duties and involvement in the restructuring (the "CRO Protection").

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98 Carlstrom Affidavit, para. 168.

99 Carlstrom Affidavit, para. 169.

100. In addition, the draft Initial Order includes measures that are designed to provide the same type of protection to the Special Committee against personal liabilities associated with their role in Cash Store's restructuring (the "Special Committee Protection"). The Special Committee has indicated that, given the uncertainty surrounding the availability of the D&O Insurance after its expiry, the Special Committee intends to resign after the CRO has been formally appointed by the Court and the Special Committee's role in the restructuring has been transitioned to the CRO.[100]

101. The CRO Protection is typical of similar protections provided to CROs in other proceedings. In addition, given the uncertain environment in which they are operating, the Special Committee has indicated that their assistance with the transition to the CRO is conditional upon obtaining the Special Committee Protection, which recognizes the role that the Special Committee has played in overseeing the restructuring to this point. As a result, the Initial Order provides that no member of the Special Committee will have any liability with respect to any losses, damages or liabilities of any nature or kind from and after the date of the Initial Order, except to the extent that such damages, losses or liabilities result from the gross negligence or wilful misconduct of that member.[101]

102. Effectively, the Special Committee Protection will cover the very brief "bridging" period between the granting of the Initial Order (if it is approved) and the time when the CRO formally assumes full responsibilities for overseeing the restructuring and responsibilities are transitioned from the Special Committee to the CRO.

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[100] Carlstrom Affidavit, para. 171.

[101] Carlstrom Affidavit, para. 171.

103. These measures are justified on the basis that it is commonplace for companies that are restructuring to appoint a CRO and to protect the CRO from liability as the CRO carries out his or her duties in connection with the restructuring. In the weeks leading up to the commencement of this proceeding, the Special Committee has been effectively fulfilling the role of CRO. Like a CRO, the Special Committee is playing the role of neutral, objective overseer of the restructuring process.

104. There is ample precedent in CCAA jurisprudence for extending protections from liability to a CRO of the nature proposed in the draft Initial Order.[102] The basis for extending this protection is similar to the basis for extending similar protections to the Monitor and to directors and officers of a debtor company. As this Court has stated:

> It is hard to imagine how a prospective CRO would be prepared to take on the responsibilities of that position in the context of a situation like the present one, fraught as it is with obvious conflicting interests on the part of the different parties involved and a background of action in the work place and litigation in court, without significant protection against liability.[103]

105. It is appropriate to extend the same type of specific protections to both the CRO and the Special Committee in order to mitigate any liabilities to they may be exposed in overseeing the restructuring for the benefit of all Cash Store's stakeholders. The Special Committee Protection is of very limited duration, as it applies only during the "bridging" period from the time of the Initial Order until the CRO formally assumes his or her responsibilities and the transition of responsibilities from the Special Committee to the CRO has occurred.

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[102] See *Re Collins & Aikman Automotive Canada Inc.* (2007), 37 C.B.R. (5th) 282, 2007 CarswellOnt 7014 (Ont. S.C.J.) [*Collins & Aikman*]. See also *ICR Commercial Real Estate (Regina) Ltd. v. Bricore Land Group Ltd.*, 2007 SKCA 72, 2007 CarswellSask 324 (Sask. C.A.) [*ICR Commercial Real Estate*].

[103] *Collins & Aikman, supra,* at para. 138. A similar rationale was referenced by the trial judge in *ICR Commercial Real Estate, supra,* which was quoted with approval in the Court of Appeal's reasons at para. 75. In that case, the Court refused to lift the stay of proceedings to allow a claim for "bad faith" to be asserted against a CRO who was protected by language similar to that proposed in the draft Initial Order.

PART IV – NATURE OF THE ORDER SOUGHT

106. The Applicants therefore request an Order substantially in the form of the draft Order attached as Schedule "A" to the Notice of Application.

107. ALL OF WHICH IS RESPECTFULLY SUBMITTED:

per/ Jeremy Dacks

per/ Marc Wasserman

Schedule "A"

LIST OF AUTHORITIES

Case Law

1. *ICR Commercial Real Estate (Regina) Ltd. v. Bricore Land Group Ltd.*, 2007 SKCA 72, 2007 CarswellSask 324 (Sask. C.A.)

2. *Re Alberta-Pacific Terminals Ltd.* (1991), 8 C.B.R. (3d) 99, 1991 CarswellBC 494 (B.C. S.C.)

3. *Re Canwest Global Communications Corp.* (2009), 59 C.B.R. (5th) 72, 2009 CarswellOnt 6184 (Ont. S.C.J. [Commercial List])

4. *Re Canwest Publishing Inc./Publications Canwest Inc.*, 2010 ONSC 222, 2010 CarswellOnt 212 (Ont. S.C.J. [Commercial List])

5. *Re Collins & Aikman Automotive Canada Inc.* (2007), 37 C.B.R. (5th) 282, 2007 CarswellOnt 7014 (Ont. S.C.J.)

6. *Re First Leaside Wealth Management Inc.*, 2012 ONSC 1299, 2012 CarswellOnt 2559 (Ont. S.C.J. [Commerical List])

7. *Re General Publishing Co.* (2003), 39 C.B.R. (4th) 216, 2003 CarswellOnt 275 (Ont. S.C.J.), aff'd 2004 CarswellOnt 49 (Ont. C.A.)

8. *Re Jetsgo Corp.*, 2005 CarswellQue 2700 (Que. S.C.)

9. *Re League Assets Corp*., 2013 BCSC 2043, 2013 CarswellBC 3408 (B.C. S.C.)

10. *Re Skydome Corp.* (1998), 16 C.B.R. (4th) 118, 1998 CarswellOnt 5922 (Ont. Gen. Div. [Commercial List])

11. *Re Smurfit-Stone Container Canada Inc.* (2009), 50 C.B.R. (5th) 71, 2009 CarswellOnt 391 (Ont. S.C.J. [Commercial List])

12. *Re Stelco* (2004), 48 C.B.R. (4th) 299, 2004 CarswellOnt 1211 (Ont. S.C.J. [Commercial List]), leave to appeal to C.A. refused 2004 CarswellOnt 2936, (Ont. C.A.), leave to appeal to S.C.C. refused 2004 CarswellOnt 5200 (S.C.C.)

13. *Re Ted Leroy Trucking [Century Services] Ltd.*, 2010 SCC 60, 2010 CarswellBC 3419 (S.C.C.)

14. *Re Temple City Housing Inc.* (2007), 42 C.B.R. (5th) 274, 2007 CarswellAlta 1806 (Alta. Q.B.), leave to appeal to C.A. refused 2008 CarswellAlta 2 (Alta. C.A.)

Secondary Sources

15. Waters, D.W.M. *Law of Trusts in Canada*, 4th ed. (Toronto: Carswell, 2012).

Schedule "B"

BANKRUPTCY AND INSOLVENCY ACT

R.S.C. 1985, c. B-3, as amended

2. [...]

"insolvent person"
« personne insolvable »

"insolvent person" means a person who is not bankrupt and who resides, carries on business or has property in Canada, whose liabilities to creditors provable as claims under this Act amount to one thousand dollars, and

(*a*) who is for any reason unable to meet his obligations as they generally become due,

(*b*) who has ceased paying his current obligations in the ordinary course of business as they generally become due, or

(*c*) the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due;

COMPANIES' CREDITORS ARRANGEMENT ACT

R.S.C. 1985, c. C-36, as amended

2.(1) [...]

"debtor company"
« compagnie débitrice »

"debtor company" means any company that

(*a*) is bankrupt or insolvent,

(*b*) has committed an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or is deemed insolvent within the meaning of the *Winding-up and Restructuring Act*, whether or not proceedings in respect of the company have been taken under either of those Acts,

(*c*) has made an authorized assignment or against which a bankruptcy order has been made under the *Bankruptcy and Insolvency Act*, or

(*d*) is in the course of being wound up under the *Winding-up and Restructuring Act* because the company is insolvent;

[...]

Application

3. (1) This Act applies in respect of a debtor company or affiliated debtor companies if the total of claims against the debtor company or affiliated debtor companies, determined in accordance with section 20, is more than $5,000,000 or any other amount that is prescribed.

[...]

Interim financing

11.2 (1) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge — in an amount that the court considers appropriate — in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.

Priority — secured creditors

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

Priority — other orders

(3) The court may order that the security or charge rank in priority over any security or charge arising from a previous order made under subsection (1) only with the consent of the person in whose favour the previous order was made.

Factors to be considered

(4) In deciding whether to make an order, the court is to consider, among other things,

(*a*) the period during which the company is expected to be subject to proceedings under this Act;

(*b*) how the company's business and financial affairs are to be managed during the proceedings;

(*c*) whether the company's management has the confidence of its major creditors;

(*d*) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;

(*e*) the nature and value of the company's property;

(*f*) whether any creditor would be materially prejudiced as a result of the security or charge; and

(*g*) the monitor's report referred to in paragraph 23(1)(*b*), if any.

1997, c. 12, s. 124; 2005, c. 47, s. 128; 2007, c. 36, s. 65.

[...]

Critical supplier

11.4 (1) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring a person to be a critical supplier to the company if the court is satisfied that the person is a supplier of goods or services to the company and that the goods or services that are supplied are critical to the company's continued operation.

Obligation to supply

(2) If the court declares a person to be a critical supplier, the court may make an order requiring the person to supply any goods or services specified by the court to the company on any terms and conditions that are consistent with the supply relationship or that the court considers appropriate.

Security or charge in favour of critical supplier

(3) If the court makes an order under subsection (2), the court shall, in the order, declare that all or part of the property of the company is subject to a security or charge in favour of the person declared to be a critical supplier, in an amount equal to the value of the goods or services supplied under the terms of the order.

Priority

(4) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

1997, c. 12, s. 124; 2000, c. 30, s. 156; 2001, c. 34, s. 33(E); 2005, c. 47, s. 128; 2007, c. 36, s. 65.

[...]

Security or charge relating to director's indemnification

11.51 (1) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of the company is subject to a security or charge — in an amount that the

court considers appropriate — in favour of any director or officer of the company to indemnify the director or officer against obligations and liabilities that they may incur as a director or officer of the company after the commencement of proceedings under this Act.

Priority

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

Restriction — indemnification insurance

(3) The court may not make the order if in its opinion the company could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

Negligence, misconduct or fault

(4) The court shall make an order declaring that the security or charge does not apply in respect of a specific obligation or liability incurred by a director or officer if in its opinion the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct or, in Quebec, the director's or officer's gross or intentional fault.

2005, c. 47, s. 128; 2007, c. 36, s. 66.

Court may order security or charge to cover certain costs

11.52 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge — in an amount that the court considers appropriate — in respect of the fees and expenses of

(*a*) the monitor, including the fees and expenses of any financial, legal or other experts engaged by the monitor in the performance of the monitor's duties;

(*b*) any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act; and

(*c*) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for their effective participation in proceedings under this Act.

Priority

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

2005, c. 47, s. 128; 2007, c. 36, s. 66.

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

AND IN THE MATTER OF a plan of compromise or arrangement of The Cash Store Financial Services Inc., The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc., and 1693926 Alberta Ltd Doing Business as "The Title Store"

Court File No:

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

FACTUM OF THE APPLICANTS

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EXHIBIT G

Court File No. _____

THE CASH STORE FINANCIAL SERVICES INC. AND RELATED APPLICANTS

PRE-FILING REPORT TO THE COURT SUBMITTED BY FTI CONSULTING CANADA INC., IN ITS CAPACITY AS PROPOSED MONITOR

April 14, 2014

Court File No. 14-CL-_____

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

PRE-FILING REPORT TO THE COURT SUBMITTED BY FTI CONSULTING CANADA INC. IN ITS CAPACITY AS PROPOSED MONITOR

INTRODUCTION

1. FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") has been informed that The Cash Store Financial Services Inc. ("**Cash Store Financial**"), 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**") intend to make an application to the Court seeking certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") including a stay of proceedings until May 14, 2014 and the appointment of FTI as CCAA monitor (the "**Monitor**"). The proceedings to be commenced by the Applicants under the CCAA are referred to herein as the "**CCAA Proceedings**".

2. The Proposed Monitor has reviewed the Court materials to be filed by the Applicants on this application and has had the opportunity to conduct some limited review of certain aspects thereof but not others. The purpose of this pre-filing report of the Proposed Monitor is to provide information to this Honourable Court regarding the following:

   (a) FTI's qualifications to act as Monitor (if appointed);

   (b) A limited summary of certain background information about the Applicants and their businesses that is relevant to the specific topics addressed below;

   (c) The proposed treatment of certain third party lenders and related funds;

   (d) Funding of the CCAA Proceedings, including an overview of the 13-week cash flow forecast and proposed DIP financing; and,

   (e) The charges proposed in the Initial Order.

TERMS OF REFERENCE

3. In preparing this report, the Proposed Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management. The Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. In addition, as this is a pre-filing report, the Proposed Monitor has summarized information provided to it by the Applicants or provided in the Applicants' Court materials which it has not audited, reviewed or otherwise attempted to verify for accuracy or completeness. Accordingly, the Proposed Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

A. FTI'S QUALIFICATION TO ACT AS MONITOR

5. Greg Watson, the individual within FTI who will have primary carriage of this matter, is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada).

6. Neither FTI nor any of its representatives has been, at any time in the two preceding years:

   (a) A director, an officer or an employee of any Applicant;

   (b) Related to any Applicant or to any director or officer of any Applicant; or

   (c) The auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any Applicants.

7. FTI (through personnel in its U.S. offices) was previously retained by Cash Store Financial in relation to its listing on the New York Stock Exchange, which was subsequently de-listed voluntarily. This brief engagement concluded prior to FTI's involvement as proposed Monitor in this matter.

8. FTI has consented to act as Monitor should this Honourable Court grant the Applicants' request to commence the CCAA Proceedings.

B. SUMMARY OF RELEVANT BACKGROUND INFORMATION

9. In this section "B", the Proposed Monitor provides a very brief summary of certain relevant background facts as they have been expressed by the Applicants in the affidavit of Steve Carlstrom, sworn April 14, 2014, and filed in support of the Applicants' motion for relief under the CCAA (the "**Carlstrom Affidavit**") or

directly to the Proposed Monitor, insofar as they provide context for the remainder of the report. The Proposed Monitor has not independently verified these facts and, more generally, has not had sufficient time since the commencement of its involvement to be in a position to conduct its review and assessment of all of the matters described in the Carlstrom Affidavit.

Business of the Applicants

10. As described in the Carlstrom Affidavit, the Applicants provide alternative financial products and services to individuals, chiefly through retail branches under the banners "Cash Store Financial", "Instaloans" and "The Title Store". The type of product offered (which includes but is not limited to payday loans (direct and brokered) and lines of credit), varies by jurisdiction. The Applicants have branches in all of Canada's provinces and territories except Quebec and Nunavut.

11. The Carlstrom Affidavit describes that, since late 2009, payday loan legislation has been enacted in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia (the "**Regulated Provinces**"), but that the Applicants are presently without the necessary payday lending licenses and broker's licenses in Ontario and therefore not offering payday loans or lines of credits in Ontario.

Third Party Lender Products

12. In New Brunswick, Newfoundland, Northwest Territories, P.E.I. and Yukon (which are not Regulated Provinces), the Proposed Monitor understands that the Applicants broker requests made by their customers for loans from third-party lenders ("**TPL**'s"). The Carlstrom Affidavit describes that the line of credit products (offered in Manitoba and, formerly, in Ontario) are also brokered products, with TPLs providing the funds for the line of credit and Cash Store arranging the line of credit between the applicable TPL and customer and earning fees on the transaction.

13. Based on the Carlstrom Affidavit, the Proposed Monitor understands that the brokered product process operates as follows (for payday loans):

(a) Cash Store has broker agreements with five different TPLs (the "**Broker Agreements**");

(b) When a customer approaches Cash Store for a payday loan, rather than lending the funds to the customer itself, Cash Store acts as a broker and arranges for the TPL to provide the loan (each, including lines of credit, a "**Brokered Loan**"), with Cash Store earning a broker fee for each transaction, which generally proceeds as follows:

(i) Cash Store assesses the customer's eligibility for a payday loan or "advance" based on approval criteria established by the TPL;

(ii) If the customer meets the established criteria, Cash Store provides the TPL's loan documentation to the customer to complete;

(iii) Once the loan document requirements are completed, Cash Store provides a cash advance to the customer (a "**Broker Customer**") on behalf of the TPL (see discussion below regarding the source of these funds);

(iv) The Broker Customer pays a fee to Cash Store for brokering the transaction;

(v) When the advance becomes due and payable, the Broker Customer must remit payment of the principal and interest owing to the TPL through Cash Store (see discussion below regarding the treatment of these repaid funds);

14. According to the Applicants, the TPLs have provided approximately $42 million of funding over time in relation to various Brokered Loans (the "**TPL Funds**")[1] and, upon repayment to Cash Store by the Broker Customer, such funds are generally redeployed by Cash Store to new borrowers under new Brokered Loans. While the Broker Agreements provide different mechanisms for funding the advances to Broker Customers (such as a wire transfer to the Broker Customer

[1] 1. The Proposed Monitor understands from the Applicants that the $42 million in TPL Funds was advanced as follows by the five TPLs:
(a) Trimor Annuity Focus Limited Partnership #5 ("**Trimor**") -approximately $27 million;
(b) McCann Family Holding Corporation ("**McCann**") -approximately $14.5 million; and
(c) The remaining three TPLs (1396309 Alberta Ltd., L-Gen Management Inc. ("L-Gen"), and Omni Ventures Ltd.("**Omni**")) - the remaining $1.5 million in roughly equal proportions.

directly or cheque from the TPL to Cash Store for redirection to the Broker Customer), the Applicants have advised that, at this stage, the advances to the Broker Customer are funded from the TPL Funds held in Cash Store accounts.

15. Pursuant to the Broker Agreements, the TPL Funds are solely intended to be used by Cash Store to make advances to customers on behalf of (or that are subsequently assigned to) the TPL. Each Broker Agreement provides as follows in section 2.10 (or 2.11 in the Omni agreement):

> "For greater certainty, funds from time to time advanced to Broker from Financier are solely intended to be utilized for the purposes of making advances to Broker Customers on Financier's behalf as contemplated hereunder. Broker agrees that any funds not otherwise being held by the Broker as a "float" in anticipation of Loan approvals shall not, without the consent of Financier, be advanced or utilized for any other purpose.";

16. The Carlstrom Affidavit states that any TPL Funds received by Cash Store that are not redeployed to other Broker Customers are held in Cash Store's bank accounts and are referred to in Cash Store's financial statements as "**Restricted Cash**". While the Broker Agreement provides for the concept of a "Designated Financier Bank Account" ("designated by [the TPL] from time to time where (and into which) deposits of cash and cheques received from Broker Customers, in respect of such [TPL] funded loans, are to be cleared (deposited) to from time to time"), the Carlstrom Affidavit states that no such accounts were designated and that, in fact, the Restricted Cash is commingled in Cash Store's account with its other cash (the "**Unrestricted Cash**").

17. The exact amount of Restricted Cash and Unrestricted Cash is not known by Cash Store until it completes a month-end reconciliation, which is usually completed on or about the tenth day of the next month. The Applicants estimate that the calculation of Restricted Cash as at March 31, 2014 would be approximately $14.7 million.

18. The Applicants have advised that, on certain occasions, once the month-end reconciliation was completed, the recorded Restricted Cash balance (that is, the

accounting entry showing the amount Cash Store received on account of loans brokered for TPLs, net of TPL Funds re-deployed) was found to exceed the total cash in Cash Store's accounts. In other words, Cash Store was not actually holding cash equal to the Restricted Cash amount as it used some of the Restricted Cash during the month to fund its operations. In those instances, Cash Store advises that it transferred its own direct loan receivables to the relevant TPL(s) in an amount equal to the Restricted Cash shortfall plus an additional amount to meet the working capital needs for the next month (thereby reducing the accounting entry for Restricted Cash by that amount). We refer to these transfers herein as the "**Restricted Cash Adjustment**".

19. Pursuant to the Broker Agreements, if the brokered loan is not repaid in full, Cash Store may be responsible to pay the TPL the outstanding amount of the loan if the reason for the loan not being paid in full is a failure of Cash Store to perform its duties as required under the Broker Agreement.

20. The Applicants have advised that the TPLs earn interest payments from the customers on the Brokered Loans and, while not mandated by the Broker Agreement, Cash Store has historically made what they describe as "voluntary retention payments" to the TPLs to incent them to continue making funds available to Cash Store as required by the broker model (together the "**Retention Payments**"):

    (a) The Retention Payments include monthly cash payments to the TPLs to ensure that, when combined with portfolio returns and taking into consideration loan losses, the TPLs receive a return of approximately 17.5% per year on the Total TPL Funds. This works out to a payment of approximately $612,000 per month on the original $42 million amount of TPL Funds;

    (b) In addition, the Applicants refer to the following as "**Capital Protection**":

(i) In respect of losses arising from Brokered Loans that remain unpaid after 90 days, Cash Store credits the TPLs with a retention payment as a book entry in the amount of the losses suffered by the TPLs and records these retention payments as an expense on its balance sheet. No cash is paid to the TPLs by the Cash Store in respect of these retention payments. The Applicants describe that the effect of these book entry retention payments is that (i) the TPL Funds are not eroded by losses; (ii) the Restricted Cash balance is increased by the amount of the retention payment; and (iii) the Unrestricted Cash balance is decreased by the amount of the retention payment.

(ii) In respect of past-due Brokered Loans in Ontario and Manitoba, Cash Store purchases such loans (including any past due direct loans that were previously transferred to the TPLs) at face value to prevent erosion of the TPL Funds. Cash Store incurs losses equal to the difference between the purchase price and the fair value of the purchased brokered loans and recognizes the losses as retention payments.

21. The Proposed Monitor has conducted its own preliminary review of the Broker Agreements and, as an initial matter, notes as follows: there do not appear to be any express trust provisions or express obligations to create a "Designated Financier Bank Account" or to otherwise hold TPL Funds separate and apart from other funds; section 2.10 (or 2.11 in the Omni Agreement), quoted above, sets out the purpose for which funds advanced from TPL are to be used; the defined term "Loan Services", which are services to be provided by Cash Store Inc., includes collection of principal and interest on the brokered loans and "forwarding same" to the TPL, but the mechanics of this do not appear to be set out in the Broker Agreements; and there is no term in the Broker Agreements referencing the Retention Payments.

22. The Proposed Monitor understands from the Applicants that the original $42 million amount of TPL Funds can be accounted for as follows: (i) Restricted Cash (estimated to be approximately $14.7 as at March 31, 2014, as noted above); and (ii) amounts on loan to customers pursuant to the Broker Agreements of which approximately $8.5 million in loans are considered "bad loans" that have been outstanding since at least 2012 and are unlikely to be recovered, although they have not yet been written off (the "**TPL Historic Bad Loans**"). The Proposed Monitor further understands that the TPL Historic Bad Loans of $8.5 million are all Brokered Loans with Trimor.

Financial Position and Capital Structure

23. The Applicants' financial statements as at December 31, 2013 show total assets of $176,255,000 and total liabilities of approximately $184,984,000.

24. According to the Carlstrom Affidavit, Cash Store is capitalized as follows (the Proposed Monitor has not reviewed the security interests or related documentation referenced herein and makes no comment on their validity, enforceability or priority): a) $12 million advanced by Coliseum Capital Management, LLC, 8028702 Canada Inc. and 424187 Alberta Ltd. to Cash Store Financial, guaranteed by the other Applicants (except for 1693926 Alberta Ltd. doing business as "The Title Store") pursuant to a credit agreement, secured in first priority (generally speaking) (the "**Senior Debt**"); b) $127.5 million of Notes issued through a private placement in January, 2012, secured in second priority (generally speaking); and c) $42 million (originally) of TPL Funds.

C. RESTRICTED CASH AND TREATMENT OF TPL FUNDS

25. The Proposed Monitor understands that at least one TPL (McCann) has alleged that the Restricted Cash is subject to a trust in favour of McCann and at least McCann and Trimor have indicated that such funds should be segregated, among other things. The Proposed Monitor further understands that this characterization is strongly disputed by the Applicants who assert that no provision of the Broker

Agreement establishes a trust relationship or imposes a trust on any funds, and all funds were commingled, among other things.

26. The Proposed Monitor has not conducted an assessment of the factual basis for each of these two positions.

27. Recognizing that it may take some period of time after the commencement of the CCAA Proceedings to resolve the claims of TPLs to a trust or proprietary interest in the Restricted Cash (by an adjudication or consensual resolution), the "operating principles" for the treatment of existing cash and post-filing receipts from Brokered Loans during the CCAA Proceedings will be relevant to both sides of the dispute. For this reason, it would be beneficial if "operating principles" were adopted (and reflected in the initial order) that took into account and balanced the respective positions and interests of the different stakeholders as well as the operational needs and limitations of the Applicants in a practical way.

28. In the view of the Proposed Monitor, appropriate "operating principles", having regard to the alleged proprietary interest asserted, can be considered in the context of two related but distinct components:

(a) **Cash-on-hand:** The Proposed Monitor understands that the Restricted Cash (an accounting entry estimated to be approximately $14.7 million as at March 31, 2014) exceeds the actual cash-on-hand (estimated to be approximately $2.94 million at the CCAA filing date (the "**Filing Date**")). Therefore, practically speaking, the TPLs are or may be alleging that they have a trust or proprietary interest in all of the cash in the Cash Store accounts as at the Filing Date (the "**Filing Date Cash-on-Hand**") (which is denied by Cash Store); and

(b) **Receipts on Brokered Loans going forward:** The Brokered Loans are made in the name of the relevant TPL, as lender, or are assigned or deemed to be assigned to such TPL, such that the TPL

appears to have an ownership interest in the receivables relating to such Brokered Loans (at least prior to repayment, at which time the above-described dispute regarding commingled funds arises, assuming the repayments are deposited in Cash Store's general account). The Proposed Monitor understands that, of the original $42 million amount of TPL Funds, there are presently approximately $18.66 million of Brokered Loans outstanding for less than 90 days (not including the TPL Historic Bad Loans, the "**Existing Brokered Loans**"). If and when payments in respect of such Existing Brokered Loans are received by Cash Store, it appears that the TPLs would assert a trust or proprietary interest in those receipts (the "**Brokered Loan Receipts**").

Cash-on-Hand

29. The Proposed Monitor understands that the Applicants intend to continue to use the Filing Date Cash-on-Hand (and other cash-on-hand from time to time) to fund its operations during the CCAA Proceedings. The Proposed Monitor notes that the use of these funds is included in the proposed cash flow forecast.

30. If these funds were unavailable, the Applicants would need to obtain an amount equivalent to the Filing Date Cash-on-Hand through an interim financing source (for instance by way of an increase in the DIP Facility, described below), if that was possible, despite the Applicants' position that the Filing Date Cash-on-Hand belongs to them.

31. To balance the competing positions and interests of the parties, the Applicants have proposed (after discussions with the Proposed Monitor) to create a charge, ranking pari passu with the DIP Charge (defined below), in the amount of the Filing Date Cash-on-Hand (the "**TPL Charge**"), as a form of security for the TPLs to the extent they are able to establish entitlement to the Filing Date Cash-on-Hand in priority to any other person (for instance a valid trust or other proprietary interest) based on the circumstances as they existed at the Filing Date.

Brokered Loan Receipts

32. The Proposed Monitor understands that the Applicants intend to continue to use the Brokered Loan Receipts in the CCAA Proceedings strictly for the purpose of making advances to Broker Customers on behalf of the respective TPLs in accordance with the Broker Agreements (the "**Permitted Purpose**"). In this regard, the Proposed Monitor has been advised by the Applicants of the following:

(a) The Applicants earn a broker fee on new Brokered Loans and therefore, if they are unable to continue to use the Brokered Loan Receipts to offer new Brokered Loans, they will not be able to earn such fees;

(b) If the Applicants are not able to use the Brokered Loan Receipts to offer new Brokered Loans, then Cash Store will likely suffer losses in the non-Regulated Provinces (in which Cash Store offers Brokered Loans instead of direct loans). Among other things, the Applicants advise that, based on their experience, payments on existing loans may be delayed if they are not able to offer new loan products; and

(c) Approximately $11.49 million of the Existing Brokered Loans are in Ontario and the Applicants expect that, as a result of the regulatory issues in Ontario referenced above, including the fact that Cash Store cannot presently offer payday loans, lines of credit or brokered loans in Ontario, there will likely be a significant loss rate in payment of the Ontario portion of the Existing Brokered Loans. As a result, they expect that the approximately $18.66 million of Existing Brokered Loans will only result in a much smaller Brokered Loan Receipts amount.

33. The Proposed Monitor understands that it would be impractical and/or unfeasible to physically segregate the Brokered Loan Receipts into a separate account that

could only have withdrawals made for the Permitted Purpose (i.e. a segregated account that would, at all times, have the Brokered Loan Receipts net of amounts that are re-advanced for the Permitted Purpose (the "**Net Brokered Loan Receipts**")). The Proposed Monitor understands that this is impractical and/or unfeasible as a result of the existing cash systems, including the systems for depositing funds used by third parties that accept payments on behalf of Cash Store, that do not differentiate between brokered loans and direct loans when accepting and making payments.

34. As an alternative to physical segregation, to balance the competing positions and interests of the parties, including enabling the Applicants to continue to use the Brokered Loan Receipts for the Permitted Purpose, the Applicants (after discussions with the Proposed Monitor and DIP Lender) have proposed to implement restrictions in the Initial Order and appropriate accounting mechanisms (including the need to track these amounts more frequently than simply at month-end) to ensure that the cash-on-hand in the Applicants' account never falls below the Net Brokered Loan Receipts. The TPL must establish an interest to such funds in priority to any other person (for instance a valid trust or other proprietary interest) based on the circumstances as they existed at the Filing Date.

D. FUNDING OF CCAA PROCEEDINGS: CASHFLOW AND PROPOSED DIP

35. The Applicants, with the assistance of the Proposed Monitor, have prepared a consolidated 13-week cash flow forecast of their receipts, disbursements and financing requirements (the "**Cashflow Forecast**"). A copy of the Cashflow Forecast and a report containing the prescribed representations of the Applicants is attached to the Carlstrom Affidavit.

36. The Cashflow Forecast shows that it is estimated that for the period of the weeks ending April 18, 2014 to July 11, 2014, the Applicants will have total receipts of $126,294,000, total operating disbursements of $131,872,000, and total

disbursements relating to the restructuring of $6,147,000, for a net cash outflow of $11,724,000.

37. The Cashflow Forecast assumes that the CCAA Proceedings will not materially impact the demand for new loans or the rate of repayment on existing loans. In addition, the Applicants have advised FTI that there is uncertainty in terms of the timing of repayment of existing loans, generally, given the nature of these alternative financial products. Accordingly, the Proposed Monitor notes that there is some variability inherent in the Cashflow Forecast. However, it is anticipated that the Applicants' forecast liquidity requirements during the CCAA Proceedings will be met by funds advanced pursuant to the DIP Agreement (if approved), described below, and through use of the Filing Date Cash-on-Hand, as described above.

DIP Facility

38. The Proposed Monitor understands that the Applicants received two proposals to provide DIP Financing and has entered or will enter into an agreement (as attached to the Carlstrom Affidavit, the "**DIP Agreement**") with Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC (collectively, the "**DIP Lender**") to provide interim financing to the Applicants during these CCAA Proceedings.

TPL Funds

39. As discussed above, the Applicants have taken the position they should be entitled to continue to use the Filing Date Cash-on-Hand for operating purposes and use the Brokered Loan Collections for the Permitted Purpose during the CCAA Proceedings. Both of these assumptions are reflected in the Cashflow Forecast.

40. With respect to payments or transfers by Cash Store to the TPLs, as described above, the Proposed Monitor understands (and the Cashflow Forecast reflects) that the Applicants:

(a) do not intend to make any Restricted Cash Adjustments to TPLs during the CCAA Proceedings;

(b) intend to pay a return equal to 17.5% and Capital Protection to the TPLs but only in respect of the funds available for re-advancing and not in respect of the TPL Historic Bad Loans or other funds that prove to be 'bad loans'.

41. It is anticipated that the funds advanced by the DIP Lender, together with the use of the Filing-Date Cash-on-Hand as set out in the Cashflow Forecast, will accommodate the Applicants' forecast liquidity requirements during the requested stay period in the proposed CCAA Proceedings.

E. COURT-ORDERED CHARGES IN DRAFT INITIAL ORDER

42. The proposed Initial Order includes the following charges, in the following priority in relation to each other and the Senior Debt:

(i) First — the Administration Charge (in the maximum amount of $1.5 million);

(ii) Second — the D&O Charge (in the maximum amount of $1,250,000);

(iii) Third — the DIP Charge (in the maximum amount of $20,500,000) and the TPL Charge (in the amount of the Pre-Filing Cash-on-Hand, which the Applicants advise equals $2,940,474.03), to rank *pari passu* with one another;

(iv) Fourth — Senior Debt; and

(v) Fifth — the D&O Charge (in the maximum amount of $1.25 million).

43. The Proposed Monitor notes that the amount and priority ranking of the proposed charges have been negotiated and agreed with the DIP Lender. At the request of the Applicants, the Proposed Monitor has provided some assistance in the

calculation of certain amounts in relation to the Administration Charge and the D&O Charge as set out below.

a) Administration Charge

44. The Proposed Order provides for a first-ranking charge in the maximum amount of $1.5 million charging the assets of the Applicants to secure the fees and disbursements incurred in connection with services rendered to the Applicants both before and after the commencement of the CCAA Proceedings by the following entities: counsel to the Applicants; counsel to the Special Committee; the CCRO (as defined in the Carlstrom Affidavit); counsel to the DIP Lender; Moelis & Company, financial advisor to the DIP Lender; the Financial Advisor; Conway MacKenzie, financial advisor to the Applicants; the Monitor; and the Monitor's counsel (the "**Administration Charge**").

45. Counsel to the Applicants provided estimates to the Proposed Monitor of the fees and costs of the proposed beneficiaries of the Administration Charge for four weeks of a CCAA Proceeding. While the Proposed Monitor is unable to comment on the likely accuracy of such estimates, the quantum of the proposed Administration Charge equals the estimates provided by such beneficiaries.

b) Directors & Officers Charge

46. The proposed Initial Order provides for a charge in favour of the directors and officers of the Applicants (the **"D&O Charge")** over the property of the Applicants in the maximum amount of $2.5 million, with the priority listed above.

47. The Proposed Monitor was asked to calculate statutory amounts relating to potential liabilities that may attach to the directors and officers for certain employee-related and tax-related obligations, based on information provided by Cash Store. These calculations were provided to the Applicants for purposes of calculating the D&O Charge. The Proposed Monitor notes that the total of these figures exceeds the proposed D&O Charge:

(1) Outstanding payroll and bonuses estimated to be approximately $3,700,000;

(2) Outstanding vacation pay estimated to be approximately $1,354,000.

The Proposed Monitor respectfully submits to the Court this Pre-Filing Report.

Dated this 14th day of April, 2014.

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

Greg Watson
Senior Managing Director

EXHIBIT H

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 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. 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

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

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".

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.

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 1 th day of April, 2014.

COMMISSIONER FOR TAKING AFFIDAVITS

WILLIAM E. AZIZ

EXHIBIT I

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

THE CASH STORE FINANCIAL SERVICES INC. AND RELATED APPLICANTS

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

April 27, 2014

Court File No. 14-CL-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., AND 1693926 ALBERTA LTD DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

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

INTRODUCTION

1. On April 14, 2014, Regional Senior Justice Morawetz granted an Initial Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") to The Cash Store Financial Services Inc. ("**Cash Store Financial**"), The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 7252331 Canada Inc., 5515433 Manitoba Inc. and 1693926 Alberta Ltd. doing business as "The Title Store" (collectively, the "**Applicants**") providing protections to the Applicants under the CCAA, including a stay of proceedings until May 14, 2014, and appointing FTI Consulting Canada Inc. (the **Monitor**") as CCAA monitor.

2. On April 15, 2014, the Court granted an Amended and Restated Initial Order (the "**Amended & Restated Initial Order**") which, among other things, approved an

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

3. The Amended & Restated Initial Order provides that the date for the come-back hearing is April 28, 2014.

4. The purpose of this Second Report of the Monitor is to provide the following information to this Honourable Court:

   (i) An update on the Applicants' efforts to obtain additional DIP financing;

   (ii) A summary of the issues to be resolved at the come-back hearing (as they currently exist), the Monitor's proposal that a hearing of the issues to be resolved be scheduled for May 5, 2014 rather than April 28, 2014, and an outline of proposed steps relevant to the adjournment; and

   (iii) The Monitor's initial observations with respect to certain third party lending arrangements and requests for relief by certain third party lenders (the "**TPLs**").

TERMS OF REFERENCE

5. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management and advisers. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on

management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

ADDITIONAL DIP FINANCING

7. As summarized in the Monitor's First Report and referenced in the endorsement of Senior Regional Justice Morawetz in this matter dated April 23, 2014, the Applicants received two competing DIP proposals prior to the Amended & Restated Initial Order from each of Coliseum and a committee of certain holders of the Applicants' 11.5% senior secured notes (the "**Ad Hoc Committee**").

8. In the Amended & Restated Initial Order, the Court approved the Coliseum DIP facility in the amount of $8.5 million. At the time, cash projections set out in the cashflow forecast provided to the Court by the Applicants (the "**Cashflow Forecast**") estimated that the Applicants would require more than $8.5 million in cumulative funding by week three of the proceedings. Therefore, it was contemplated that further DIP financing would be required and that the initial $8.5 million available under the Coliseum DIP facility was of a very short-term nature only.

9. The April 28, 2014 come-back hearing date was provided for in the Amended & Restated Initial Order at the request of Coliseum in order to provide clarity regarding the maturity date of the short-term DIP, which referenced the come-back hearing date. In addition, it was anticipated that the Applicants would be back on April 28, 2014, the start of the third week of the CCAA Proceedings, to seek approval of further DIP financing to meet its projected cash needs.

10. Given the anticipated need for additional DIP financing, the Applicants, through Rothschild Inc. ("**Rothschild**"), requested proposals for additional DIP financing from each of Coliseum and the Ad Hoc Committee. At the same time, the

Applicants, with the assistance of the CRO and the Monitor, explored with Coliseum and the Ad Hoc Committee the possibility of a joint facility in which both parties would participate in the proposed additional financing.

11. The Monitor was pleased that, after a series of discussions, this process resulted in an agreement between Coliseum and the Ad Hoc Committee to offer additional interim financing to the Applicants on a joint basis. At this stage, the parties are continuing to 'paper' this arrangement and have agreed to seek approval of such additional DIP facility on May 5, 2014 rather than April 28, 2014, to provide time to complete this documentation and provide sufficient notice to interested parties and the Court.

12. In part due to receipt of a significant tax refund that was not anticipated within the first two weeks of the CCAA Proceedings, the Applicants are now projected to have sufficient cash to fund their operations through to May 5, 2014 without further financing. In particular, the cash-on-hand as of April 25, 2014 was approximately $9.6 million, an approximate $5.9 million increase over the projected cash-on-hand for that date of $3.7 million. This increase is largely due to receipt of a $2.7 million tax refund that was not expected in this timeframe as well as other timing differences.

13. The Monitor will report further regarding the terms of the proposed, consensual additional DIP financing in advance of the May 5, 2014 hearing.

OTHER ISSUES FOR "COME-BACK" HEARING

14. The Monitor is aware of the following issues or potential issues for the come-back hearing:

    (a) 0678786 B.C. Ltd. (formerly the McCann Family Holding Corporation) ("**McCann**"), a TPL that did not participate in the discussions and consensual resolution of the protections provided to the TPLs in the Initial Order and the Amended & Restated

Initial Order (the "**TPL Protections**") and did not attend at the hearings in relation to the Initial Order and Amended & Restated Initial Order, seeks relief at the come-back hearing in the form of amendments to the Amended & Restated Initial Order chiefly relating to the TPL Protections and treatment of new third party brokered loans. The relief requested by McCann is set out at paragraph 63 of its factum, which was served on Friday, April 25, 2014 at 12:21 p.m. by counsel for McCann.

(b) Trimor Annuity Focus Limited Partnership #5 ("**Trimor**"), the TPL that participated in discussions and negotiations regarding the TPL Protections and that consented to the Initial Order and the Amended & Restated Initial Order, has also indicated an intention to seek relief relating to the TPL Protections. Trimor has not specified the relief it is seeking and it is unclear if Trimor is seeking the same relief as McCann notwithstanding its consent to the terms of the Initial Order and the Amended & Restated Initial Order. However, Trimor has indicated a concern with respect to the application of the concept of "capital protection" provided for in the Amended & Restated Initial Order at paragraph 35.

(c) Counsel for Computershare Trust Company N.A., in its capacity as Indenture Trustee, and Computershare Trust Company of Canada, in its capacity as Collateral Trustee and Indenture Trustee ("**Computershare**") contacted the Monitor to request inclusion in the protective provisions for payment of professional fees in paragraphs 42 and 44 of the Amended & Restated Initial Order and provided a letter to the Monitor in this regard on April 25, 2014. However, counsel for Computershare has indicated its support for an adjournment of the come-back hearing to May 5, 2014, described further below; therefore, the Monitor understands this will not be an issue before the Court on April 28, 2014.

15. As described further below, the Monitor proposed an adjournment of the come-back hearing to May 5, 2014 (or another date suitable to the Court) to, among other things, provide time for the relevant parties to meet to discuss these issues and attempt to resolve them (the Monitor has proposed to host a meeting on April 28, 2014 at the offices of McCarthy Tétrault). An adjournment would also allow time for a more organized and scheduled process to be followed in respect of these outstanding issues, including identifying the specific relief sought, providing sufficient notice to the responding parties, some of whom have indicated an interest in cross-examining on affidavits served, delivering of facta, providing sufficient time for the Monitor and CRO to review and comment, and providing sufficient notice to the Court.

16. The Monitor asked parties to contact the Monitor if they had a different view. The Monitor was contacted by counsel to McCann and Trimor, who oppose an adjournment, and by counsel to the CRO, the Applicants, Coliseum, the Ad Hoc Committee and Computershare who support an adjournment.

TPL Steps Post-Initial Order

17. Because counsel to McCann did not attend the hearings in respect of the Initial Order and the Amended & Restated Initial Order, counsel for the Monitor reached out to counsel for McCann on April 16, 2014 and had an initial telephone call with counsel for McCann on April 18, 2014. At that time, the Monitor understood that counsel for McCann was reviewing the Amended & Restated Initial Order, arranging for PWC (as adviser to McCann and Trimor) to visit the Applicants' premises to review its books and records, and arranging for a cross-examination of Steven Carlstrom on his April 14, 2014 affidavit in support of the initial CCAA application. Counsel for the Monitor suggested that it would be useful to discuss the TPL Protections in the Amended & Restated Initial Order at the same time as McCann was pursuing these other activities. However, counsel for McCann was of the view that it was difficult for McCann to take a view on the TPL Protections prior to PWC's review and the cross-examination.

18. PWC commenced its review of the Applicants' books and records on April 22, 2014. The Monitor understands that this was a cooperative process and is not aware of any issues or disputes regarding access by PWC (after such access was provided).

19. On April 22, 2014, counsel to McCann served an affidavit of Sharon Fawcett and an affidavit of Murray McCann.

20. Also on April 22, 2014, the cross-examination of Mr. Carlstrom was completed.

21. Since April 22, 2014, efforts were made, bearing in mind the very limited time remaining until the April 28 come-back hearing, to ascertain whether McCann was content with the TPL Provisions or had specific changes it wanted to propose, and if so, to engage the relevant parties (including the Applicants, Coliseum and the Ad Hoc Committee) to see if a consensual resolution could be achieved.

22. By April 24, 2014, the Monitor was concerned that there had not been sufficient identification of issues relating to the TPL Protections and discussion of those issues among the relevant parties to either resolve them or have them determined by the Court on April 28, 2014. As a result, counsel to the Monitor raised the possibility of arguing the issues relating to the TPL Protections on May 5, 2014 instead of April 28, 2014 to give the parties time to meet and attempt to come to a resolution.

23. In furtherance of that suggestion, on April 25 at 12:21 p.m. Ms Meredith wrote to counsel to McCann and Trimor as follows:

> "Further to my discussions yesterday with Brett and Raj, the Monitor will be sending a note to the service list shortly advising that the Applicants do not intend to seek any relief on April 28, 2014 and intend to seek approval of additional interim financing on May 5, 2014. Given the current circumstances with respect to the third party lender issues, the Monitor is also of the view that any arguments with respect to the TPL protections (or other relief you may wish to seek) should be brought at the May 5th hearing as well. First, the Monitor believes that the parties would benefit from having time to discuss these matters directly and will be asking you, Goodmans, Norton Rose and Oslers to participate in a meeting at our offices

on April 28, 2014 to attempt to reach a resolution with respect to the capital protection concept and any other remaining issues. Second, to the extent you wish to raise issues with the Court regarding the third party protections in the Initial Order (or seek any other relief), a proper process should be followed, including that the specific relief sought should be identified to the other parties, cross-examinations completed if required, supporting material including any facta should be served and filed, responding facta should be served and filed, the Monitor should be given an opportunity to review and comment and – most importantly – the Court should be given sufficient notice to review these materials. Those steps cannot occur by Monday April 28, 2014.

We, together with FTI, will be in contact with each of you today to discuss the next steps and any concerns you may have."

24. Also on April 25, 2014 at 12:21 p.m., counsel to McCann served a factum particularizing the relief sought by McCann at paragraph 63 of the factum.

25. On April 25 at 12:37, Ms Meredith wrote to the service list:

"As you know, the Amended & Restated Initial Order (the "Initial Order") in this matter states that there is a come-back hearing scheduled for April 28, 2014. The Applicants previously indicated an intention to seek approval of additional interim financing and a priming charge in respect of such financing. We now understand that the Applicants will not be seeking such relief on April 28, 2014 but rather intend to seek that relief on May 5, 2014 at 8:30 a.m. before Regional Senior Justice Morawetz. Accordingly, we understand that the Applicants do not intend to seek any relief on April 28, 2014.

The Monitor asks that any other party that intends to seek relief at the come-back hearing, please advise as soon as possible and provide to the Monitor a description of the specific relief sought. Given the time, the need to provide sufficient notice to the Court, and the fact that the Applicants will not be seeking relief on April 28, 2014, the Monitor is of the view that any other relief sought in relation to the Initial Order come-back hearing should be sought on May 5, 2014 as well. Should any party have a different view, please contact us promptly today to discuss."

26. On April 25, 2014 at 1:47 p.m., Mr. Staley wrote to the service list that his client (McCann) intends to proceed at the come-back hearing on Monday and does not consent to an adjournment to May 5th.

27. On April 25, 2014 at 2:10 p.m. Mr. Staley wrote to Ms Meredith:

> To be clear, we disagree with you 100%. We do not consent to an adjournment of Monday's attendance. Our clients have come-back rights that they intend to fully exercise on Monday. You are free to make these submissions on Monday before Justice Morawetz. We are available today, and over the weekend, if parties want to engage with a view to seeking a consensual resolution of issues.

28. On April 25, 2014 at 2:25 p.m., counsel for Trimor served a draft report of PWC.

29. On April 25, 2014 at 2:59 p.m., counsel for Trimor served the affidavit of Don MacLean, which attached the PWC report.

30. On April 26, 2014, counsel for Trimor served a redacted version of the PWC report.

31. Counsel for McCann indicated to the Monitor that it is not interested in an adjournment. Counsel for Trimor indicated that it would consider an adjournment if it was satisfied there was no risk of prejudice during the adjournment. Each of counsel for the CRO, Coliseum, the Ad Hoc Committee and Computershare wrote to support an adjournment noting, among other things:

    (a) Concern for giving proper notice to the Court;

    (b) The need to allow the company and its stakeholders to consider and properly respond to issues raised;

    (c) The CRO's desire to consider the matters and provide a proper response;

    (d) The relief sought only being articulated in the factum, served mid-day on Friday, April 25, 2014;

    (e) Delivery of the draft PWC report on the afternoon of April 25, 2014;

    (f) The seriousness of certain allegations made in respect of the conduct of the Applicants; and

(g) A desire to cross-examine the TPL affiants.

THIRD PARTY LENDING ARRANGEMENTS

32. The TPL lending arrangements are somewhat unusual in that they are unlike a typical credit facility. Further, based on the descriptions of the arrangements provided by the Applicants and the TPLs, respectively, when compared to the actual terms of the Broker Agreements, it appears that some aspects of the arrangements are not reflected in the written agreements. Further, certain positions taken by the TPLs are based on communications they say that they had with the Applicants or aspects not expressly reflected in the Broker Agreements. For example:

(i) Under the terms of the Broker Agreement, the TPL is to receive a "loan participation fee" of 59% per annum of the principal of all loans repaid during the agreed term of the loan. However, it appears that what the TPLs actually received was an amount equivalent to about 17.5% per annum on the total amount of capital provided to the Applicants, whether or not such amounts once loaned were repaid by customers and/or redeployed as new loans.

(ii) Under the terms of the Broker Agreement, the TPL is responsible for loan losses (unless such losses are a result of the failure of the Applicants to properly perform their services) and yet Cash Store, at least since Mr. Carlstrom has been with the company, says that it voluntarily provided "capital protection" as described in the Carlstrom Affidavit to protect the TPLs from loan losses.

(iii) At least in the case of McCann, trust obligations are being asserted, whereas it does not appear that they are any express trust obligations in the Broker Agreements.

33. These differences may be contributing to disagreements among the TPLs, on the one hand, and the Applicants and their other stakeholders, on the other hand,

regarding the appropriate way to treat TPL Funds, including Restricted Cash and post-filing brokered loan receivables, in the context of a CCAA proceeding where the interests of all stakeholders must be taken into account. It does not seem to be sufficient to resort solely to the written agreements to resolve the disputes regarding the third party lending arrangements, which has further complicated matters.

TPL PROTECTIONS

34. McCann and Trimor appear to acknowledge that the proprietary entitlement to the TPL Funds that they claim can only be determined at a later date by the Court on a full evidentiary record. McCann expresses at paragraph 45 of its factum that, in the interim, it seeks relief that "will, at minimum, preserve the TPLs' monies that have not yet been misappropriated by the Applicants to ensure that the TPLs are not further unjustly prejudiced."

35. The TPL Protections provided in paragraphs 30-35 of the Amended & Restated Initial Order provide (at a high level) as follows:

(a) With respect to cash-on-hand at the effective time of the Initial Order: a charge in favour of the TPLs ranking *pari passu* with the DIP Charge in the amount of Cash Stores' cash-on-hand as of the effective time of the Initial Order, as security for any valid trust or other proprietary claim of a TPL to such cash-on-hand (based on the positions of the parties as of the effective time of the Initial Order);

(b) With respect to TPL Brokered Loans in existence at the effective time of the Initial Order:

(i) an obligation for Cash Store to keep sufficiently detailed records of all receipts and disbursements in connection with TPL Brokered Loans after the effective time of the Initial Order (the "**TPL Post-**

Filing Receipts") separate and apart from receipts received in connection with company owned loans (and related reporting and access to information requirements);

(ii) a requirement that Cash Store use TPL Post-Filing Receipts for the sole purpose of making new brokered loans;

(iii) a declaration that the TPL's entitlement to TPL Brokered Loans in existence at the effective time of the Initial Order is to be determined based on the legal rights as they existed immediately prior to the effective time and that post-filing treatment of receipts is not relevant to determination of the TPL's alleged entitlement to or ownership and will not prevent the TPLs from arguing that segregation would have been require by them, but for the Initial Order;

(iv) an obligation to maintain on deposit in its general bank account an amount not less than the TPL Post-Filing Receipts less any TPL Post-Filing Receipts that are redeployed as new TPL Brokered Loans (the "**TPL Net Receipt Minimum Balance**");

(v) a declaration that, to the extent the TPLs are able to make a valid proprietary claim to the TPL Brokered Loans in existence at the effective time of the Initial Order (and/or Post-Filing TPL Receipts), the TPL Net Receipt Minimum Balance and then-existing TPL Brokered Loans will be available to satisfy such claim and will not form property of Cash Store for the purposes of the other charges in the Amended & Restated Initial Order; and

(vi) TPLs will receive a 17.5% retention payment post-filing on TPL Brokered Loans that are repaid and available for redeployment from and after the Initial Order date and any capital protection (as described in the Carlstrom Affidavit).

36. On or about April 22, 2014, Trimor raised the question of how "capital protection" referenced in paragraph 35 is applied. The Monitor understands that at the end of each month, the Applicants intend to assess the losses to each TPL arising from brokered loans in their name that remain unpaid after 90 days and, approximately 10 days after month end, to credit the relevant TPL with a book entry payment in the amount of such losses. The Monitor understands this is consistent with the "capital protection" set out in paragraph 84(2)(a) of the Carlstrom Affidavit and therefore consistent with paragraph 35 of the Amended & Restated Initial Order, which provides as follows:

> "THIS COURT ORDERS that the Applicants shall continue to ensure that TPLs receive a return of approximately 17.5% per year (or such lesser amount as may be agreed to) with respect to TPL Brokered Loans that are repaid and available for redeployment from and after the Initial Order date and **any capital protection (as described in the Carlstrom Affidavit)**" [emphasis added]

37. Trimor has raised the concern as to what would happen if there is insufficient cash to satisfy such book entry payment and whether the book entry payment would be a priority payment or paid subsequent to other creditors. The Monitor notes as follows in that regard:

(a) The priority of such payments appears to be disputed. The Monitor understands that Trimor alleges that its capital (either all TPL Brokered Loans in existence immediately prior to the effective time of the Initial Order or all TPL Brokered Loans that are repaid and available for redeployment from and after the Initial Order date (per paragraph 35 of the Amended & Restated Initial Order)) should be protected and it should not bear the risk of loan losses going forward. The Monitor further understands that other parties including Coliseum are of the view that such "capital protections" were, at their highest, unsecured obligations and should continue as such and therefore not receive priority protection post-filing. In the Monitor's view there is complexity to

these issues and it is important to hear submissions from both sides with respect to these arguments.

(b) As it relates to the adjournment request, based on the Initial Order and past practice, no "capital protection" payment would be payable in any event between April 28, 2014 and May 5, 2014 and the present cashflow projections show that there will be approximately $6.7 million in available cash in addition to projected cash requirements during that adjournment period (of which $3 million must be held in accordance with the terms of the DIP);

(c) The Applicants advise that loan losses vary from month to month but on average represent approximately 5% for loans outside Ontario;

(d) On April 14, 2014, Trimor had TPL Brokered Loans with a book value of approximately $16.8 million of which approximately $5.5 million were in Ontario. As of April 24, 2014, the Applicants held a Net Receipt Minimum Balance in cash of $500,000 in relation to Trimor. Between April 14, 2014 and April 24, 2014, the approximate receipts on Trimor TPL Brokered Loans were approximately $2.4 million and the approximate aggregate amount of new TPL Brokered Loans in Trimor's name were $1.9 million (this is approximately $1.7 million of receipts and $1.3 million of new loans per week);

(e) On April 14, 2014, McCann had TPL Brokered Loans with a book value of approximately $5.7 million of which approximately $5.3 million were in Ontario. As of April 24, 2014, the Applicants held a Net Receipt Minimum Balance in cash of $146,000 in relation to McCann. Between April 14, 2014 and April 24, 2014, the approximate receipts on McCann's TPL Brokered Loans were

approximately $146,000 and the approximate aggregate amount of new TPL Brokered Loans in Trimor's name was $0 (this is approximately $102,000 of receipts per week, with no new loans). The Monitor understands that no new TPL Brokered Loans have been issued in the name of McCann since April 14, 2014. The Monitor is advised that, by McCann's request, brokered loans were not made in the name of McCann as lender but rather were made by another TPL (typically Trimor) and later transferred to McCann. Therefore, no new TPL Brokered Loans are made in McCann's name unless and until the Applicants transfer existing brokered loans to McCann, which the Monitor understands is done (based on past practice) shortly after month-end reconciliation, which typically occurs approximately 10 days after month-end. Until such time, all receipts on the McCann TPL Brokered Loans in existence at the effective time of the Initial Order will be maintained in cash protected by the Net Receipt Minimum Balance.

Potential Issues Relevant to Requests by McCann

38. The Monitor understands that McCann challenges the quantum and priority of the TPL Charge, which is *pari passu* with the DIP Charge. In that regard, the Monitor notes:

(a) The TPL Charge relates to the cash-on-hand immediately prior the effective date of the Initial Order. As noted above, to the extent the TPL can establish a proprietary interest in any TPL Brokered Loans and/or Post-Filing TPL Receipts, such loans and receipts do not form Property of the Applicants and the Charges set out in the Amended & Restated Initial Order do not apply to such amounts pursuant to paragraph 34 of the Amended & Restated Initial Order;

(b) The ranking of the charges was negotiated among the parties who consented to the original Amended & Restated Initial Order, including Trimor;

(c) The requested relief would constitute an event of default under the DIP term sheet;

(d) McCann argues that there is no principled basis for other charges to rank above or pari passu with the TPL Charge. It appears McCann alleges its entitlement to funds in priority to the other Charges is based on its view that a constructive trust ought to be awarded to McCann and imposed on the property of the Applicants in the amount of the TPL Loans. McCann notes in its factum that in order for a Court to exercise this equitable jurisdiction, it must be satisfied that it would not be unjust in the circumstances, having regard to the interests of intervening creditors, which must be protected. As Charges are also granted based on equitable considerations, the impact upon other creditors, including secured creditors with existing security interests in the same property, may be a relevant consideration.

39. The Monitor also understands that McCann has requested that all available cash on hand be paid into a segregated account and that the Applicants be prevented from redeploying any TPL Funds as new brokered loans, as contemplated in the Broker Agreement and the Amended & Restated Initial Order. They provide a number of different reasons, including:

(a) the TPL Funds are the property of McCann or, alternatively, held in trust by Cash Store for the benefit of McCann – The Monitor notes that this is an important issue to be determined and it appears that all parties agree that this should be determined at a later date. The TPL Protections were designed to maintain the *status quo* pending a resolution of this issue;

(b) McCann has no obligation to advance additional money or credit – In this regard, the Monitor notes that to the extent the TPL owns the brokered loans, it appears the TPL is extending credit to broker customers and not to Cash Store. In addition, it will have to be determined whether McCann is making a "further advance of money or credit" (the terms used in section 11.01(b) of the CCAA) when it is not required to extend additional monies but rather prevented from taking back monies already advanced. In that regard, the terms of the Broker Agreements, the effect of the stay of proceedings, case law regarding subsection 11.01(b) of the CCAA and other considerations may be relevant.

40. The Monitor is also of the view that it would be useful to have argument regarding:

(a) McCann's assertion that the TPLs did not agree to allow their funds to be loaned by an insolvent entity – The Monitor notes it will be important to consider the terms of the Broker Agreements, which appear to provide representations and deemed representations to this effect but no express funding conditions or events of default relating to insolvency, as well as the impact of the stay of proceedings;

(b) The proper characterization of the TPL-Cash Store relationship - Given that Cash Store is in the business of providing cash to consumers, the TPLs appear to be providing Cash Store with the product that it offers in the marketplace. Since the cash "supplied" by the TPL is loaned, repaid and then re-loaned to Cash Store's customers, it has a unique character. To the extent that it would be appropriate to characterize the TPLs as suppliers to Cash Store, the Monitor notes that it is common for suppliers to have their contract termination rights stayed while receiving payment for the

continued supply of goods or services or use of their property post-filing. As another alternative, if the TPL's are not properly considered suppliers to the business but instead are characterized as lenders to Cash Store, the Monitor notes that it would not be typical for a lender to be able to dictate post-filing how its debtor uses funds advanced pre-filing, although it would likely be able to refuse to provide further credit not already drawn. The TPLs have also suggested there is an analogy to be drawn to a securities firm. Finally, the TPLs have also advanced proprietary and equitable trust arguments.

(c) The assignment of company-owned loans to TPLs (notionally or in fact) as a form of "capital protection" - The Monitor notes that the practice of providing this form of capital protection raises a number of potential issues, including enforceability (and priority) of such assignments pursuant to PPSA or similar legislation, whether such transactions may be impugned as voidable transactions, and whether the TPL would nevertheless have a claim against Cash Store if the assignment is not an effective transfer of the loan receivable;

(d) Termination rights, Defaults and Impact of Stay of Proceedings - the use and reuse by Cash Store of the TPL Funds is contemplated by the Broker Agreement for as long as the agreement is in force. Discretion is given to Cash Store to make brokered loans as it sees fit, provided pre-agreed loan criteria are met and aggregate loan limits are not exceeded. There do not appear to be any events of default in the agreement or any express rights to reclaim the TPL funds, only a right to reduce the aggregate loan limit on 120 days' notice.

41. The Monitor has not had an opportunity to explore and consider the factual background underlying these issues. The Court may benefit from submissions in relation to some or all of these issues in considering whether to grant the relief sought by the TPLs.

CONCLUSION

42. As McCann has acknowledged, a judicial determination will be required in order to determine whether the TPLs, including McCann, have a proprietary, trust or other priority claim to the Restricted Cash and/ or whether they are entitled to terminate their arrangements with Cash Store. In the interim, with the TPL protections in place under the oversight of the Monitor and CRO, and in light of the anticipated cash on hand significantly exceeding the projected loan losses (and indeed the projected value of all new TPL Brokered Loans for the week) for the proposed adjournment period – and in light of the complexity of the issues to be argued - the Monitor recommends that the come-back hearing in respect of the relief sought by the TPLs be adjourned to May 5, 2014 (or another date suitable to the Court). If the adjournment is granted, the Monitor will renew its request that the parties meet in person as soon as possible to discuss a possible resolution of these issues and, if such a resolution cannot be reached, then the Monitor will assist the parties in developing a timetable for resolution of these matters.

The Monitor respectfully submits to the Court this Second Report.

Dated this 27th day of April, 2014.

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

Greg Watson
Senior Managing Director

EXHIBIT J

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

THE CASH STORE FINANCIAL SERVICES INC. AND RELATED APPLICANTS

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

June 6, 2014

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

APPLICANTS

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

INTRODUCTION

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

2. On April 15, 2014, the Court granted an Amended and Restated Initial Order (the "**Amended & Restated Initial Order**") which, among other things, approved an

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

3. On April 30, 2014, Regional Senior Justice Morawetz granted an order providing additional protections for third party lenders ("**TPLs**"), specifically relating to repayments of loans bearing the name of, attributable to, or assigned to 0678786 B.C. Ltd. ("**McCann**") and Trimor Annuity Focus Limited Partnership #5 ("**Trimor**"), and requiring the Applicants to maintain a $3 million minimum cash balance (the "**Additional TPL Protection Order**").

4. On May 13, 2014, Regional Senior Justice Morawetz granted an order (the "**May 13 Order**"), among other things, extending the Stay to May 16, 2014, approving a Key Employee Retention Plan and related charge, and approving the cessation of the Applicants' brokered loan business (the "**Broker Business**") in all jurisdictions in which it was then carried out and authorizing the CRO, in consultation with the Monitor, to conduct an orderly cessation of such business.

5. On May 17, 2014, Regional Senior Justice Morawetz granted an order, among other things extending the Stay to June 17, 2014 and approving an Amended and Restated Term Sheet providing for a DIP Facility by the following lenders (together, the "**DIP Lenders**"): Coliseum, Alta Fundamental Advisers, LLC and certain members of the ad hoc committee (the "**Ad Hoc Committe**e") of the Applicants' 11 1/2% senior secured notes (the "**Notes**").

6. The purpose of this Sixth Report is to provide the Court with information regarding the following:

   (a) the cessation of Cash Store's Broker Business;

   (b) Cash Store management changes;

(c) meetings with provincial regulators;

(d) the ongoing M&A Process (defined below) and related amendments to the DIP Agreement;

(e) an update on a supplier dispute involving DirectCash Payments Inc. and its affiliates (collectively, "**DCPI**");

(f) DIP Financing and interest calculations in respect of the initial DIP Financing;

(g) the delisting of Cash Store's common shares from the Toronto Stock Exchange and the Cease Trade Order ("**CTO**") issued by the Alberta Securities Commission;

(h) Cash Store's UK operations;

(i) potential preferences & transfers at undervalue;

(j) background and additional data relevant to the motions brought by the TPLs and the cross-motion brought by the DIP Lenders, returnable June 11, 2014; and,

(k) the proposed representative counsel motion, returnable June 11, 2014.

TERMS OF REFERENCE

7. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management and advisers. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on

management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

CESSATION OF BROKER BUSINESS

9. Pursuant to the May 13 Order, the Court approved the cessation of the Applicants' brokered loan business in all jurisdictions in which it was currently being carried out and authorized the CRO, in consultation with the Monitor, to take all steps to conduct an orderly cessation of such business.

10. On May 14, 2014, the Applicants issued a press release announcing that it was "winding down its brokered payday loan business conducted in 33 of its branch locations located in New Brunswick, Prince Edward Island, Newfoundland, Northwest Territories and Yukon" and that, in addition, "the Company will be winding down its brokered title loan business conducted in 10 of its branch locations across Canada" and "seeking to transition its brokered loan business model in Manitoba to a direct lending payday loan business model." Attached as **Schedule "1"** is a copy of such press release dated May 14, 2014.

11. The Monitor understands that Cash Store ceased making new brokered loans after May 12, 2014[1] (including in the above-listed provinces and territories, Manitoba and Ontario (where the Applicants had previously ceased making brokered loans)). The Monitor further understands that, while brokered loans are not being made, the 33 branches referenced above and the branches in Manitoba and Ontario[2] remain open and are still accepting payments and providing other services to customers. Approximately 95 employees have received temporary layoff notices as a result of the cessation of the Broker Business. Cash Store

[1] The Monitor understands that three brokered loans were made after this date with a total face value of $10,847 in the name of Trimor.
[2] With the exception of two Ontario branches, which have closed since the date of the Initial Order.

continues to make direct loans to customers from 269 branches (in British Columbia, Alberta, Saskatchewan and Nova Scotia).

MANAGEMENT CHANGES

12. On May 22, 2014, Cash Store announced that it made a number of executive leadership changes as part of its reorganization efforts. Attached as **Schedule "2"** is a press release issued by Cash Store in relation to such changes.

13. As reported in the press release, effective May 22, 2014, the following individuals are no longer with Cash Store:

    (a) Gordon Reykdal – former Chief Executive Officer

    (b) Kevin Paetz - former Chief Operating Officer and President

    (c) Halldor Kristjansson – former Senior Executive Vice President, Banking and Credit

    (d) Barret Reykdal - former Senior Vice President, Retail Financial Services

    (e) Michael Thompson - former Senior Vice President, Corporate Affairs

14. The Applicants also reported in the press release that they terminated service agreements with Bill Johnson and Dean Ozanne (consultants who provided strategic and operating advice to the former CEO) and that the CRO will be working with members of the Cash Store management team to implement a revised leadership structure.

15. At this time, the Monitor understands that the Chief Financial Officer, CCRO (defined below) and current team of existing Vice Presidents are providing Cash Store management services under the direction of the CRO.

MEETINGS WITH REGULATORS

16. The CRO, with the assistance of the Monitor and the Applicants' Compliance and Regulatory Affairs Officer, Michèle McCarthy (the "**CCRO**"), has been working to establish relationships with the regulators in the jurisdictions in which Cash Store operates and to identify and attempt to address their concerns.

17. To date, the CRO, CCRO and Monitor have met with regulators from Ontario, Nova Scotia, Alberta and Saskatchewan and are working to coordinate a meeting with the regulator in British Columbia.

M&A PROCESS UPDATE AND RELATED DIP AMENDMENT

18. As previously reported, prior to the start of the CCAA Proceedings, Rothschild Inc. ("**Rothschild**") commenced a mergers and acquisitions process to seek a sale or significant investment in Cash Store (the "**M&A Process**"). In the Amended & Restated Initial Order, the Court authorized Rothschild to "continue the mergers and acquisitions process as described in the Carlstrom Affidavit, in consultation with the Monitor".

19. On or about April 29, 2014, Rothschild delivered an updated outline of the intended M&A Process, including the following timeline (subject to ongoing supervision of the Court and to Court Orders in these CCAA Proceedings):

    (a) May 23, 2014 – parties to submit letters of interest (including transaction structure and price);

    (b) May 29, 2014 - selection of parties advancing to Phase 2;

    (c) May 30-July 11, 2014 – Phase II due diligence;

    (d) June 2-13, 2014 – Management presentations;

    (e) July 11, 2014 – Binding proposals (for entire company or select assets) due.

20. On May 23, 2014, Rothschild recommended and the CRO and DIP Lenders agreed that the deadline for letters of interest should be extended from May 23, 2014 to June 3, 2014 given, among other things, the Cash Store management changes, the need for the remaining management team to refine and update the Cash Store business plan, and bidder-originated suggestions that a revised business plan would facilitate a more meaningful indicative value being possible for the assets.

21. On May 23, 2014, the Monitor confirmed its consent to extend the deadline for letters of interest to June 3, 2014, in accordance with paragraph 11(d) of the Amended & Restated Initial Order.

22. The Amended and Restated DIP Term Sheet dated May 20, 2014 ("**DIP Agreement**") provides certain deadlines regarding the M&A Process. Among those is an Affirmative Covenant that provides, among other things, that that the Applicants are to have obtained "an Order approving the Sale Process, in a form and substance satisfactory to the DIP Lenders (the "**Sale Process Order**")" on or before 52 days after the Amended & Restated Order i.e. by June 6, 2014.

23. Given the extension of the date for accepting letters of interest to June 3, 2014, on May 23, 2014, the DIP Lenders and CRO agreed to the following amendment to the DIP Agreement (with all other terms of the DIP Agreement remaining in full force and effect, unamended):

> Affirmative Covenant(s) be and hereby is amended to extend the date for obtaining from the Court an Order approving the Sale Process, in form and substance satisfactory to the DIP Lenders, from a date that is on or before 52 days following the issuance of the Initial Order to a date that is on or before 63 days following the issuance of the Initial Order.

24. At a case conference call on May 30, 2014, Regional Senior Justice Morawetz reserved two hours on June 16, 2014 for a possible Stay extension motion and motion for a Sale Process Order.

25. On June 3, 2014, Rothschild received a number of letters of interest. The letters of interest received are being reviewed by Rothschild and the CRO, in consultation with the Monitor, and the Monitor expects that parties selected to advance to Phase 2 will be advised on or about June 9, 2014.

DISPUTE WITH DCPI

26. On May 29, 2014, the CRO asked the Monitor to take urgent steps with respect to a situation involving an important supply relationship with DCPI, causing the Monitor to request urgent time before the Court for a possible hearing in relation to this dispute.

27. The Monitor understands that DCPI provides critical services to Cash Store including in respect of, among other things, supplying automated teller machine ("**ATM**") terminals on Cash Store premises and related services including ATM cash loading, loading prepaid debit and credit cards and related services, and processing pre-authorized debit transfers from Cash Store customers. Cash Store also has significant relationships with DirectCash Bank (which DCPI recently announced an agreement to acquire), which processes all pre-authorized debits to customer accounts on behalf of Cash Store, among other things.

28. The Monitor further understands that an amount totalling approximately $1.3M was withheld by DCPI (the "**DCPI Withheld Amount**") from amounts payable in relation to an invoice delivered by it, which Cash Store disputed. Cash Store then withheld amounts otherwise payable to DCPI (the "**Cash Store Withheld Amount**") and subsequent discussions and negotiations gave rise to a concern that DCPI may cease providing services in relation to loading the prepaid debit and credit cards if the dispute was not resolved.

29. On May 30, 2014, a case conference was conducted by Regional Senior Justice Morawetz by telephone in relation to the scheduling of a possible motion relating to this issue and the scheduling of various other motions in these CCAA Proceedings. On the case conference call, a motion was tentatively scheduled for

June 2, 2014 to address the DCPI dispute, although the parties indicated an intention to have discussions following the case conference call.

30. Later on May 30, 2014, Monitor's counsel delivered a letter to Regional Senior Justice Morawetz, copied to the service list, providing a brief update on the status of the issues discussed during the case conference and indicating that an interim resolution had been reached in respect of the DCPI matter such that the June 2, 2014 hearing was not required. Attached as **Schedule "3"** is a copy of that letter.

31. The Monitor understands that the interim resolution reached on May 30, 2014 can be summarized as follows:

    (a) The parties to include in a reconciliation to be completed on June 2, 2014, repayment of the DCPI Withheld Amount by DCPI and payment of the Cash Store Withheld Amount by Cash Store, together with any amounts otherwise payable on that date;

    (b) The parties to schedule a date for determination of the underlying dispute, if necessary, within three weeks (of May 30, 2014); and

    (c) DCPI to continue to load the pre-paid debit cards in the usual course in the interim.

32. On June 3, 2014, the daily reconciliation of amounts owing from DCPI to Cash Store and from Cash Store to DCPI was completed, including the DCPI Withheld Amount and the Cash Store Withheld Amount as contemplated in the interim resolution.

DIP FINANCING AND INTEREST CALCULATION

33. As noted above, the Amended DIP was approved on May 17, 2014. The availability under the Amended DIP totals $14.5 million with a $2 million extension option, consisting of the initial tranche of $8.5 million (which was provided under the Initial DIP, approved on April 15, 2014, and repaid on May 9,

2014) and an additional commitment of $6 million with a $2 million extension option.

34. As contemplated in the cashflow forecast attached to the Fourth Report, the Applicants have made the following draws pursuant to the Additional DIP at this time: $3 million during the week ending May 23, 2014 and $3 million during the week ending June 6, 2014.

35. With respect to the Initial DIP, which consisted of two draws – an initial $5 million draw and a subsequent $3.5 million draw - the Monitor has reviewed the fees and interest paid by the Applicants. The Monitor has engaged with the CRO and Initial DIP lenders in discussions regarding its analysis of the quantum of fees and interest paid pursuant to the Initial DIP relative to the period that the initial advances were outstanding and the impact of the amendment of the DIP Facility, if any, on that analysis, and has advised those parties that it will be reporting to the Court on this issue in its next report, presently expected to be filed in relation to the June 16, 2014 motion.

DELISTING AND CEASE TRADE

36. As previously reported, CSF's shares, which previously traded on the New York Stock Exchange and Toronto Stock Exchange, have been delisted from both exchanges: a) as reported in the April 14, 2014 affidavit of Steven Carlstrom (the "**Carlstrom Affidavit**"), CSF voluntarily delisted its stock from the New York Stock Exchange due, in part, to non-compliance with the market capitalization and shareholders' equity as well as its share price requirements; and b) as reported in the affidavit of William E. Aziz, sworn April 28, 2014, CSF announced on April 24, 2014 that its common shares would be delisted from the Toronto Stock Exchange effective May 23, 2014 for failure to meet the continued listing requirements of the TSX and, specifically, as a result of it seeking protection in these CCAA Proceedings.

37. On May 31, 2014, Cash Store Financial announced that a cease trade order was issued by the Alberta Securities Commission on May 30, 2014 due to Cash Store failing to file interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the period ended March 31, 2014, pursuant to section 146 of the Securities Act (Alberta). Pursuant to the terms of the cease trade order, all trading in Cash Store securities has ceased as a result. A copy of the May 31, 2014 press release is attached as **Schedule "4"**.

CASH STORE UK OPERATIONS

38. As summarized in the Carlstrom Affidavit, CSF is the parent company of three UK companies for which Cash Store's former CEO, Gordon Reykdal, was the sole director: The Cash Store Financial Limited (a holding company), The Cash Store Limited (a lender), and CSF Insurance Services Limited (a service provider) (the "**UK Entities**").

39. The three UK Entities are not Applicants in these proceedings; however, as contemplated in the Applicants' cashflow forecasts, the Applicants have provided approximately $275,000 to the UK Entities to date. The CRO, with the assistance of the Monitor, is presently reviewing the UK Entity operations and prospects.

POTENTIAL PREFERENCES & TRANSFERS AT UNDERVALUE

40. The Monitor is in the process of conducting a review of transfers and other transactions involving the Applicants made prior to the commencement of the CCAA Proceedings in order to determine whether there are grounds to challenge any such transactions as reviewable transactions pursuant to the CCAA or provincial reviewable transaction legislation. This includes but is not limited to the transactions involving the TPLs, referenced below.

41. The Monitor will report further following the completion of its review if it determines there is a basis to bring one or more reviewable transaction applications.

TPL MOTION AND DIP LENDER CROSS-MOTION

Background Information

42. The Monitor has previously reported on the Broker Business and related TPL arrangements in its Pre-Filing Report dated April 14, 2014, Second Report dated April 27, 2014, Third Report dated May 9, 2014 and Supplement to the Third Report dated May 13, 2014. These Reports are attached hereto as **Schedule "5"**, **"6"**, **"7"** and **"8"**, respectively.

43. As previously reported, McCann and Trimor sought certain relief at the April 28, 2014 come-back hearing chiefly relating to the provisions in the Amended & Restated Order aimed to provide protections to the TPLs (the "**TPL Protections**"). The April 28, 2014 come-back hearing was adjourned to April 30, 2014 and the parties engaged in discussions and came to an understanding as to terms upon which the TPL issues would be further adjourned. That understanding was incorporated into the Additional TPL Protection Order of April 30, 2014.

44. The TPL Protections and provisions of the Additional TPL Protection Order provide (at a high level) as follows:

(a) a charge in favour of the TPLs (the "**TPL Charge**") in the amount of Cash Stores' cash-on-hand as of the effective time of the Initial Order, as security for any valid trust or other proprietary claim of a TPL to such cash-on-hand (based on the positions of the parties as of the effective time of the Initial Order);

(b) a declaration that the TPL's entitlement to TPL brokered loans in existence at the effective time of the Initial Order (the "**TPL Brokered Loans**") is to be determined based on the legal rights as

they existed immediately prior to the effective time and that post-filing treatment of receipts is not relevant to determination of the TPL's alleged entitlement to or ownership and will not prevent the TPLs from arguing that segregation would have been require by them, but for the Initial Order;

(c) restrictions on the treatment of post-filing receipts and new TPL Brokered Loans, and requirements to keep certain minimum cash balances as follows:

(i) In the Amended & Restated Initial Order, the Applicants were required to keep sufficiently detailed records of all receipts and disbursements in connection with TPL Brokered Loans after the effective time of the Initial Order (the "**TPL Post-Filing Receipts**") separate and apart from receipts received in connection with company owned loans (and related reporting and access to information requirements), to use TPL Post-Filing Receipts for the sole purpose of making new brokered loans and to maintain on deposit in its general bank account an amount not less than the TPL Post-Filing Receipts less any TPL Post-Filing Receipts that are redeployed as new TPL Brokered Loans (the "**TPL Net Receipt Minimum Balance**"), among other things;

(ii) The Additional TPL Protection Order, provided, among other things (and at a high level), that:

A. all TPL Post-Filing Receipts relating to McCann Loans ("**McCann Post-Filing Receipts**") and TPL Post-Filing Receipts relating to Trimor Loans in Ontario ("**Post-Filing Trimor Ontario Receipts**") are each to be deposited in a separate segregated account and not used for new brokered

loans or any other purpose pending further order of the Court or agreement;

B. TPL Post-Filing Receipts from Trimor loans outside of Ontario received after the date of the Additional TPL Protection Order ("**Post-Filing Trimor Non-Ontario Receipts**") are to treated in accordance with the TPL Net Receipt Minimum Balance requirements and may only be used for the purpose of brokering new TPL Brokered Loans in the name of Trimor provided that, with effect upon any such new TPL Brokered Loan being made, it is declared that Trimor shall be the owner of such new TPL Brokered Loan and all proceeds therefrom ("**Trimor Post-Additional TPL Protection Order Loans**"); and

C. The Applicants are required to maintain a $3 million minimum cash balance in addition to the Post-Filing McCann Receipts and Post-Filing Trimor Ontario Receipts (the "**Minimum Cash Balance**").

45. In the motions brought by McCann and Trimor, originally returnable May 13, 2014 but adjourned to June 11, 2014, Trimor seeks an order directing Cash Store Inc. and 1693926 Alberta Ltd. (together "**CS**") to execute and deliver documentation to evidence that Trimor is the sole legal and beneficial owner of the Trimor Property (defined therein) and assistance from the Applicants in facilitating the transfer of the administration of Trimor-owned Loans and Advances (defined therein) to another service provider, and McCann seeks substantially the same relief in respect of the loans relating to McCann. McCann also seeks to have the costs of its legal and professional advisors paid by the Applicants and secured by the Administration Charge.

46. On May 20, 2014, the DIP Lenders filed a Notice of Motion for a cross-motion. The DIP Lenders seek a declaration that Cash Store is the beneficial owner of the

funds claimed by Trimor and McCann and that the loans made in the name of the TPLs and assignment of loans to the TPLs constituted preferences under section 36.1 of the CCAA, section 2 of the *Fraudulent Conveyances Act,* R.S.O. 1990, C F.29, section 4 of the *Assignments and Preferences Act,* R.S.O. 1990, c A.33 and sections 2 and 3 of the Alberta *Fraudulent Preferences Act,* R.S.A. 2000, c. F-24. The DIP Lenders seek to reverse these transactions and an order that the TPLs be prohibited from taking any steps to collect on these loans.

Focus of June 11 TPL Motions

47. In the Pre-Filing Report, the Monitor described that, according to the Applicants, the TPLs had provided approximately $42 million of funding (the "**TPL Funds**") over time in relation to various Brokered Loans (as defined therein) and that the original $42 million could be accounted for as follows:

(a) Restricted Cash (TPL Funds received by Cash Store that are not redeployed to other broker customers as referenced on Cash Store's financial statements), estimated to be approximately $14.7 million as at March 31, 2014; and

(b) Amounts on loan to customers pursuant to the Broker Agreements (defined therein) of which approximately $8.5 million were "Historic Bad Loans", which the Monitor understood were outstanding since at least 2012, unlikely to be recovered and all brokered with Trimor.[3]

48. While there is also a dispute with respect to the Restricted Cash and cash-on hand at the time of filing, the Monitor understands that the relief sought by Trimor and McCann on the June 11 motion relates specifically to TPL Brokered Loans that

[3] The Monitor is advised by the Applicants that, on September 30, 2013, the Applicants put into place a policy of writing off bad loans more than 90 days past due, which resulted in identification of bad loans for capital protection purposes. When the accounting policy changed, this resulted in the identification of approximately $8.5M of accumulated losses in excess of retention payments and portfolio returns for Trimor (including losses already identified), which were not reversed by the Applicants through a capital protection payment. The Monitor understands that, since the change to accounting policies on September 30, 2013, the Applicants have been able to identify bad loans and have provided capital protection for such loans pre-filing as described in the April 14, 2014 affidavit of Steven Carlstrom.

existed immediately prior to the commencement of the CCAA Proceedings and amounts collected by Cash Store in relation to the Brokered Loans after the commencement of the CCAA Proceedings (the TPL Post-Filing Receipts).

49. On May 13, 2014, Monitor's counsel asked the parties to confirm that this was indeed the focus of the June 11, 2014 motion and no party disagreed. Further, in its factum, Trimor confirms this understanding in paragraph 1 where it states that on the motion it "seeks to assume administration of the Trimor Loans [defined as "any loan in existence immediately prior to the effective time of the Initial Order (in accordance with paragraph 34 of the Amended and Restated Initial Order): i) for which Trimor is listed as the lender; ii) which are attributable to Trimor according to the Applicants' records; or iii) which have been assigned to Trimor"] and the Trimor Receipts [which is defined as "any amounts received by Cash Store from Customers in repayment of the Trimor Loans"].

50. The Monitor understands that the chief areas of dispute on this motion are:

(a) whether the TPLs have a proprietary interest in the TPL Brokered Loans and TPL Post-Filing Receipts or if they are mere creditors of the Applicants in relation thereto;

(b) whether the TPLs should be entitled to collect the Brokered Loans (or retain someone else to collect them) or if this should not be permitted on the basis either that there has been a preference or that the Stay should not be lifted to permit that; and

(c) whether McCann's legal and professional fees incurred in or in connection with the CCAA Proceeding should be paid by the Applicants and covered by the Administration Charge.

51. The Monitor notes that the question of ownership of the TPL Brokered Loans and the specific relief sought on this motion may have broader implications on the question of compliance with regulatory restrictions and on potential class action claims arising therefrom. For instance, the Monitor notes that the TPLs request

an order that the Trimor Property or McCann Property is owned by Trimor or McCann, as the case may be, "free of any interests or claims of any creditor of the Applicants…", which may be read more broadly than a declaration of their ownership *vis á vis* the Applicant's interests. The Monitor understands that the proposed Representative Counsel (referenced below) may have some concerns with the breadth of this language.

52. To assist the parties and the Court in determining the above issues, the Monitor has attempted to compile and update data relevant to these issues, which is set out below.

TPL Brokered Loans

53. As at April 13, 2014 (the day before the Initial Order date), TPL Brokered Loans in the following value were recorded in the Applicants' books and records:

(a) $5.7M of McCann loans, which included:

(i) 673 loans with a total face value of $449,000 that were written off prior to April 13, 2014 all of which had been Cash Store direct loans that had been assigned to McCann; and

(ii) 7,855 line of credit loans in Ontario with a total face value of $5.26M, all of which had been written in Trimor's name and subsequently transferred to McCann.

(b) $16.8M of Trimor loans, which included:

(i) $4.4M in loans that were written off prior to April 13, 2014, which included $2,155,464 of loans that had been Cash Store direct loans that had been assigned to Trimor;

(ii) $12.4M of brokered loans that had not been written off that had been written in Trimor's name;

(c) $799,114 of loans in the name of other TPL lenders of which $292,021 was written off prior to April 13, 2014.

54. According to the affidavit of William E. Aziz, sworn May 9, 2014, the brokered line of credit product was discontinued in Ontario as at February 12, 2014. Accordingly, no new TPL Brokered Loans were made in Ontario during these CCAA Proceedings.

55. New TPL Brokered Loans were made by the Applicants outside Ontario after the Initial Order date (pursuant to Amended & Restated Initial Order and Additional TPL Protections Order) until May 12, 2014 when the Applicants ceased the Broker Business, as described above. The Monitor understands that, during this time (and including the three TPL Brokered loans made thereafter as referenced above), TPL Brokered Loans totalling $5,911,141 were made in the name of Trimor, with no new TPL Brokered Loans made in the name of McCann.

56. As at May 31, 2014, TPL Brokered Loans in the following value were recorded in the Applicants books and records:

(a) McCann: $4,274,924 of which $242,614 have been written off;

(b) Trimor: $13,288,913 of which $3,059,224 have been written off;

(c) Other TPL: $649,060 of which $266,823 have been written off.

57. Trimor Post-Additional TPL Protection Order Loans (i.e. loans made after the date of the Additional TPL Protection Order and before the Broker Business ceased in the name of Trimor for which a declaration has been made that Trimor is the owner) total $2,520,540. This is a subset of the value listed for Trimor in the preceding paragraph.

TPL Post-Filing Receipts

58. After the Additional TPL Protection Order was issued, segregated accounts were opened to maintain the McCann Post-Filing Receipts and Post-Filing Trimor

Ontario Receipts. After the Broker Business ceased, the Post-Filing Trimor Non-Ontario Receipts were also deposited into the Trimor account for Post-Filing Receipts. In accordance with the Applicants' operation and IT systems, amounts received in respect of the TPL Brokered Loans are deposited into the Applicants' general operating accounts, an assessment is then made as to the total amounts received in relation to each TPL and an equivalent amount transferred into the respective segregated accounts, typically within 1 to 2 business days of receipt.

59. The Monitor previously reported the following amounts in the segregated accounts as of May 6, 2014:

(a) McCann Post-Filing Receipts of $699,558

(b) Post-Filing Trimor Ontario Receipts of $690,380

60. The balances in the segregated accounts as of May 27, 2014 were as follows:

(a) McCann Post-Filing Receipts of $927,774

(b) Post-Filing Trimor Ontario Receipts and Post-Filing Trimor Non-Ontario Receipts of $2,092,824.

61. The balances in the segregated accounts as of June 4, 2014 were as follows:

(a) McCann Post-Filing Receipts of $1,236,053

(b) Post-Filing Trimor Ontario Receipts and Post-Filing Trimor Non-Ontario Receipts of $2,686,089

(c) Other TPL lender receipts of $175,788.

Reviewable Transactions

62. As noted above, the cross-motion by the DIP Lenders seeks, among other things, a declaration that any designation of TPL Brokered Loans in the names of Trimor or McCann and any assignment of non-brokered loans to Trimor or McCann are

preferences pursuant to the CCAA and/or provincial legislation. The Monitor has advised the DIP Lenders that it is of the view that it is the Monitor who has standing to proceed with such a challenge using the provisions of the CCAA (absent an order equivalent to a *Bankruptcy and Insolvency Act* section 38 order authorizing the DIP Lenders to do so) and that, at this time, the Monitor is not bringing a preference or transfer at undervalue application. The Monitor continues to investigate relevant facts and evaluate the merits of such an application, together with its assessment of other transactions made prior to the Initial Order as noted above. The Monitor does not take a position on the DIP Lenders' motions pursuant to provincial reviewable transaction legislation.

McCann's Request that its Fees be Included in the Administration Charge

63. In its Fresh as Amended Notice of Motion, McCann has requested that its legal and other professional fees incurred in or in connection with this CCAA proceeding be paid by the Applicants and be included in the Administration Charge granted in the Initial Order.

64. The Monitor notes that Trimor (which has not made a similar request for relief) does not have its legal or other professionals listed in the Administration Charge, although McMillan LLP (Trimor's legal counsel) is listed in paragraph 42 of the Amended & Restated Initial Order among counsel whose reasonable fees and disbursements the Applicants "shall also be entitled to pay." The Monitor understands that this was included on the understanding that the Applicants would not fund any Trimor fees for challenges made by Trimor against the Applicants.

65. The Monitor notes simply, as it has in relation to other fee requests in this matter, that it is mindful of the limited resources available in these CCAA Proceedings and that any party requesting coverage of fees pursuant to the Administration Charge must establish that such coverage would be necessary for their effective participation in proceedings under section 11.52 of the CCAA.

REPRESENTATIVE COUNSEL MOTION

66. Also returnable on June 11, 2014 is a motion brought by Timothy Yeoman (the "**Representative Counsel Motion**") seeking an order i) appointing him representative of all class members as defined in class proceeding filed on August 1, 2012 in London Ontario, *Timothy Yeoman v. The Cash Store Financial Services Inc. et al.* Court File No. 7908/12 CP (the "**Class Proceeding**"); and ii) . appointing Harrison Pensa LLP as representative counsel and Koskie Minsky LLP as agent to representative counsel (the "**Proposed Representative Counsel**").

67. The Representative Counsel Motion initially included a request that Proposed Representative Counsel's fees and costs be paid by the Applicants and included in the Administrative Charge; however, that request has been adjourned and is not before the Court on June 11.

68. On June 3, 2014, McCann filed a responding factum opposing the Representative Counsel Motion and any request that the Applicants pay class counsel's fees and costs or include same in the Administrative Charge. The Monitor understands that Trimor supports this position but that no other party has taken a position on the Representative Counsel Motion.

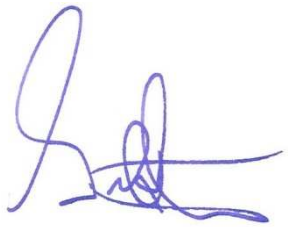
69. The Monitor does not take a position on the Representative Counsel Motion; however, if the Proposed Representative Counsel is appointed, the Monitor reserves all rights with respect to any request for fees or costs or inclusion in the Administration Charge that may be made in the future, including to oppose payment of any fees or costs incurred by the Proposed Representative Counsel after its appointment.

70. The Monitor is also particularly mindful of the importance of avoiding unnecessary or duplicated costs in this matter and, to the extent the appointment of the Proposed Representative Counsel is approved, will ask the representative counsel to work together with the Monitor to ensure that the rights of all potential claimants are appropriately protected without duplication of effort or costs.

The Monitor respectfully submits to the Court this Sixth Report.

Dated this 6th day of June, 2014.

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



Greg Watson
Senior Managing Director

EXHIBIT K

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 1511419 ONTARIO INC., FORMERLY KNOWN AS THE CASH STORE FINANCIAL SERVICES INC., 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"

AFFIDAVIT OF WILLIAM E. AZIZ

(sworn September 23, 2015)

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

I. INTRODUCTION

1. This Affidavit is made in support of a motion (the "**Motion**") by 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**") for an order (the "**Meetings Order**"), *inter alia*:

(a) accepting the filing of the Plan of Compromise or Arrangement concerning, affecting and involving the Applicants (the "**Plan**"), a copy of which is attached hereto as Exhibit "A";

(b) authorizing the Applicants to call, hold and conduct meetings (the "**Meetings**") of creditors whose claims are to be affected by the Plan for the purpose of enabling such creditors to consider and vote on a resolution to approve the Plan;

(c) approving the Information Package (as defined in the Meetings Order);

(d) approving the procedures to be followed with respect to the calling and conduct of the Meetings; and

(e) granting such further and other relief as this Court deems just.

2. I am the President of BlueTree Advisors Inc. ("**BlueTree**"), which has been retained by Cash Store to act as Chief Restructuring Officer ("**CRO**") to the Applicants. I was retained pursuant to an Engagement Letter dated April 14, 2014, which was subsequently amended by a letter dated July 17, 2014. 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 (as such order may be further amended, restated or varied from time to time, the "**Initial Order**") made in respect of the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**").

3. As the Applicants' CRO, in accordance with the Initial Order, I have the authority to direct the operations and management of the Applicants and their restructuring. As such, I have personal knowledge of the matters to which I depose in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

4. I previously swore Affidavits in these proceedings in my capacity as CRO (the "**Prior Aziz Affidavits**"). Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Prior Aziz Affidavits or the Plan.

5. As described in greater detail below, the Plan contemplates, among other things and after the establishment of certain reserves discussed below, a distribution of the remaining proceeds of the Applicants' Asset Sales (as defined below) to its secured creditors (being the DIP lenders, the Senior Secured Lenders and the Secured Noteholders (each as defined below)) according to their priorities, and a distribution of the settlement payments contemplated by the Settlement Agreements (as defined below) to the Applicants' Secured Noteholders, shareholders and class members in the cross-Canada consumer loan litigation discussed in more detail below, in each case according to their interests and entitlements to such proceeds.

II. ASSET SALES AND ASSET SALE PROCEEDS

6. The Applicants have sold substantially all of their assets pursuant to a series of asset sale transactions with National Money Mart Company ("**NMM**"), easyfinancial Services Inc. ("**easyfinancial**") and CSF Asset Management Ltd. ("**CSF Asset Management**"), which were approved by the Court on October 15, 2014, January 26, 2015 and April 10, 2015, respectively (collectively, the "**Assets Sales**"). The NMM, easyfinancial and CSF Asset Management transactions had purchase prices of $51,129,141, $2,504,338 and $650,000, respectively, subject to final adjustments. All of the Asset Sales have closed and are more fully described in my affidavit sworn May 19, 2015 and other Prior Aziz Affidavits. The Asset Sales have also been described in various Reports of the Monitor that have been filed during the course of these CCAA proceedings.

7. The Monitor received funds on behalf of the Applicants from each of the Asset Sales (the "**Asset Sale Proceeds**"). The Asset Sale Proceeds have since been used in part to repay certain amounts due in respect of the DIP Loan, fund the Applicants' remaining operations and fund its ongoing restructuring efforts, including the Applicants' efforts to negotiate and complete the

Settlement Agreements. The remaining Asset Sale Proceeds are being held in trust by the Monitor. The remaining Asset Sale Proceeds will be sufficient to repay the first lien lenders under the Applicants' senior secured credit facility (the "**Senior Secured Lenders**") and any other priority secured claims (such as the remaining amounts due in respect of the DIP Loan), but will not be sufficient to repay the amounts owed to the holders of the Applicants' second lien secured notes (the "**Secured Noteholders**"). The Secured Noteholders will suffer a significant deficiency under the Plan.

8. Since the completion of the Asset Sales and the completion of the transition services that were being performed by the Applicants for NMM, the Applicants have had minimal ongoing operational activities and their efforts have been focused on various post-closing matters with respect to the Asset Sales, the orderly wind-down of the Applicants' remaining business and assets and the resolution of outstanding claims asserted (i) against the Applicants by various stakeholders and (ii) asserted by the Applicants against certain third party defendants, certain of which have been resolved in the Settlement Agreements (as discussed below) and certain of which continue to be pursued by the Applicants as against certain of the third party defendants (as discussed below).

III. ESTATE LITIGATION

9. During the course of these proceedings, it became clear that the Applicants may have valuable claims against certain of their former directors, officers, advisors and other third parties (the "**Estate Claims**"). In order to pursue these claims, the Applicants retained Thornton Grout Finnigan LLP and Voorheis & Co LLP (collectively, the "**Litigation Counsel**") to investigate and advance those claims on behalf of the Applicants.

10. Litigation Counsel was retained pursuant to an engagement agreement (the "**Litigation Counsel Retainer**") dated November 14, 2014, a copy of which is appended as Schedule D to the Plan. The Litigation Counsel Retainer was approved by the Court on December 1, 2014. The Litigation Counsel Retainer provides for a fee arrangement pursuant to which the Applicants agreed to pay Litigation Counsel a contingency fee of 33.33% of amounts recovered, including any interest awarded, from any litigation pursued by Litigation Counsel at the Applicants' instruction.

11. At this time, the Applicants have commenced Estate Claims against a number of third-party defendants, certain of which have been resolved under the Settlement Agreements, and certain of which have not been resolved under the Settlement Agreements and remain outstanding (the "**Remaining Estate Claims**"). The Remaining Estate Claims are potentially valuable assets of the Applicants' estate. The Plan provides that an individual will be designated, with the consent of Litigation Counsel and the Ad Hoc Committee (defined below), to act as litigation trustee (the "**Litigation Trustee**") with authority to instruct the Litigation Counsel on behalf of the Applicants with respect to the prosecution of the Remaining Estate Claims, all in accordance with the terms of the Plan. The Plan provides that the Litigation Trustee will be named and appointed pursuant to the Sanction Order to be issued in respect of the Plan.

12. Pursuant to the Plan, the Applicants shall establish a cash reserve (the "**Litigation Funding and Indemnity Reserve**") in an amount satisfactory to the Applicants, the Litigation Trustee, Litigation Counsel, the Ad Hoc Committee and the Monitor, which shall be maintained and administered by the Monitor in accordance with a Litigation Funding and Indemnity Reserve Agreement (to be entered into in connection with the Plan) and which shall serve as security for the Litigation Counsel in respect of disbursements, security for costs and any adverse cost awards

that may be incurred in connection with the prosecution of the Remaining Estate Claims from and after the implementation of the Plan, all in accordance with the terms of the Plan and the Litigation Funding and Indemnity Reserve Agreement.

IV. SETTLEMENT AGREEMENTS

13. Together with the ad hoc committee of Secured Noteholders (the "**Ad Hoc Committee**") and the Monitor, the Applicants have been engaged in ongoing negotiations with various litigation claimants and other interested parties in an effort to resolve (i) numerous claims made against the Applicants and their assets and (ii) numerous claims made by the Applicants against third party defendants. These extensive negotiations have resulted in the Settlement Agreements, which are described below.

The Priority Motion Settlement Agreement

14. On August 26, 2014, the Court issued an order appointing Timothy Yeoman as representative of the class members in *Timothy Yeoman v The Cash Store Financial Services Inc. et al.*, (the "**Ontario Consumer Class Action**"), appointing Harrison Pensa LLP as representative counsel in respect of the Ontario Consumer Class Action in these proceedings ("**Representative Counsel**") and appointing Koskie Minsky LLP as agent to Harrison Pensa LLP.

15. On April 30, 2015, Representative Counsel and its agent filed a motion (the "**Priority Motion**") on behalf of the plaintiffs in the Ontario Consumer Class Action (the "**Ontario Consumer Class Action Plaintiffs**") asserting priority over the Applicants' secured creditors (including the Senior Secured Lenders and the Secured Noteholders) based on constructive trust and other legal claims in respect of the claims asserted in the Ontario Consumer Class Action filed

against the Applicants. On May 20, 2015, the Court determined that it would hear the Priority Motion on July 28 and 29, 2015.

16. Following a mediation before the Honourable Dennis O'Connor, the Applicants entered into a binding term sheet (the "**Priority Motion Settlement Agreement**") on June 19, 2015 with the Ontario Consumer Class Action Plaintiffs, the plaintiffs in the consumer class actions filed against the Applicants in certain western provinces in Canada (the "**Western Canada Consumer Class Actions**" and the "**Western Canada Consumer Class Action Plaintiffs**" and, together with the Ontario Consumer Class Action and the Ontario Consumer Class Action Plaintiffs, the "**Consumer Class Actions**" and the "**Consumer Class Action Plaintiffs**"), Coliseum Capital Management, LLC ("**Coliseum**"), as a Senior Secured Lender, 8028702 Canada Inc. ("**8028702**") in its capacity as a Senior Secured Lender and a third party lender, and the Ad Hoc Committee on behalf of the Secured Noteholders, pursuant to which, among other things, (i) the claims asserted by the Ontario Consumer Class Action Plaintiffs (which claims were subsequently supported by the Western Canada Consumer Class Action Plaintiffs) against the Applicants and their assets (and, therefore, the recoveries available to the Senior Secured Lenders and the Secured Noteholders) and (ii) the claims asserted by the Consumer Class Action Plaintiffs against Coliseum and 8028702 and its affiliates (collectively, the "**McCann Entities**"), in their capacity as Senior Secured Lenders and in the case of the McCann Entities, as third party lenders to the Applicants, were all agreed to be settled among those parties in exchange for the settlement payments and releases contemplated by the Priority Motion Settlement Agreement and the Plan. A copy of the Priority Motion Settlement Agreement is appended to the Plan as Schedule A.

17. Under the Priority Motion Settlement Agreement, the Applicants (on behalf of the Secured Noteholders), Coliseum (as a Senior Secured Lender) and the McCann Entities (as Senior Secured

Lenders and as third party lenders) will pay approximately $1.45 million in the aggregate to the Consumer Class Action Plaintiffs to settle the various constructive trust, priority and other claims that the Consumer Class Action Plaintiffs asserted against the Applicants' secured creditors, Coliseum and the McCann Entities. Under the Priority Motion Settlement Agreement, the Applicants, the Monitor and the Consumer Class Action Plaintiffs will also work together to distribute certain "Segregated Funds" that the Applicants have collected since the filing date which may represent costs of borrowing of certain of the class members in the Consumer Class Actions, provided that such distribution is subject to the consent of the Ontario Registrar of Payday Loans.

The DirectCash Global Settlement Agreement

18. DirectCash Payments Inc. and its affiliates (collectively, "**DirectCash**") provided critical services to the Applicants in respect of, among other things, the supply of automated teller machine ("**ATM**") terminals on the Applicants' premises and related services including ATM cash loading, loading prepaid debit and credit cards and processing pre-authorized debit transfers from the Applicants' customers. The Applicants, through Litigation Counsel, asserted claims against DirectCash alleging (i) knowing assistance in the breaches of fiduciary duties by the directors and officers of the Applicants for failing to ensure the Applicants were in compliance with applicable legislation and (ii) for the recovery of wrongfully retained funds. Similarly, the Consumer Class Action Plaintiffs asserted that DirectCash was jointly and severally liable with the Applicants for failure to operate their businesses in compliance with applicable legislation, and therefore liable to the Consumer Class Action Plaintiffs for the whole amount of any unlawful costs of borrowing charged to the Consumer Class Action Plaintiffs.

19. Following a successful mediation before the Honourable Mr. Douglas Cunningham, an agreement in principle was reached among the Applicants, the Consumer Class Action Plaintiffs and DirectCash. On September 20, 2015, this agreement in principle was formalized into a settlement agreement (the "**DirectCash Global Settlement Agreement**") pursuant to which, among other things (i) the claims asserted by the Applicants against DirectCash, (ii) the claims asserted by the Consumer Class Action Plaintiffs against DirectCash and (iii) the claims asserted by DirectCash against the Applicants and their directors and officers were all agreed to be settled among those parties in exchange for the settlement payments and releases contemplated in the DirectCash Global Settlement Agreement and the Plan. A copy of the DirectCash Global Settlement Agreement is appended to the Plan as Schedule B.

20. Under the DirectCash Global Settlement Agreement, DirectCash will pay $14.5 million, allocated as follows: (i) $4.5 million to settle the claims asserted by the Applicants against DirectCash; (ii) $6.15 million to settle the claims asserted by the Ontario Consumer Class Action Plaintiffs against DirectCash; and (iii) $3.85 million to settle the claims asserted by the Western Canada Consumer Class Action Plaintiffs against DirectCash, in exchange for the releases contemplated in the DirectCash Global Settlement Agreement and the Plan.

D&O/Insurer Global Settlement Agreement

21. Prior to the commencement of the CCAA proceedings, in 2014, certain of the Applicants' investors commenced securities class actions (the "**Securities Class Action Plaintiffs**") in Alberta, Ontario, Quebec and New York against The Cash Store Financial Services Inc. and certain of its directors and officers ("**D&Os**") alleging that The Cash Store Financial Services Inc. and the D&Os made misrepresentations during the period from November 24, 2010 to February 13, 2014 regarding, among other things, their internal controls over financial reporting, the value

of the loan portfolio acquired from third party lenders and losses on their internal consumer loan portfolio. The Consumer Class Action Plaintiffs and the Applicants, through Litigation Counsel, also asserted various claims against certain D&Os.

22. Following two mediations before the Honourable Mr. George Adams, an agreement in principle was reached among the Securities Class Action Plaintiffs, the Consumer Class Action Plaintiffs, the Applicants and the D&Os who are defendants in the actions brought by those parties. On September 22, 2015, this agreement in principle was formalized into a settlement agreement (the "**D&O/Insurer Global Settlement Agreement**" and, collectively with the Priority Motion Settlement Agreement and the DirectCash Global Settlement Agreement, the "**Settlement Agreements**" and the "**Settlements**") pursuant to which, among other things (i) the claims asserted by the Securities Class Action Plaintiffs against The Cash Store Financial Services Inc. and certain D&Os, (ii) the claims asserted by the Consumer Class Action Plaintiffs against certain D&Os, and (iii) the claims asserted by the Applicants against certain D&Os, were all agreed to be settled among those parties in exchange for the settlement payments and releases contemplated in the D&O/Insurer Global Settlement Agreement and the Plan. A copy of the D&O/Insurer Global Settlement Agreement is appended to the Plan as Schedule C.

23. Under the D&O/Insurer Global Settlement Agreement, the D&O defendants will pay $19,033,333 allocated as follows: (i) $4,875,000 to settle the claims asserted by the Securities Class Action Plaintiffs against The Cash Store Financial Services Inc. and the D&Os on behalf of the Applicants' shareholders; (ii) $8,904,167 to settle the claims asserted by the Securities Class Action Plaintiffs against The Cash Store Financial Services Inc. and the D&Os on behalf of the Applicants' Secured Noteholders; (iii) $1,437,500 to settle the claims asserted by the Ontario Consumer Class Action Plaintiffs against the D&Os; (iv) $1,066,666 to settle the claims asserted

by the Western Canada Consumer Class Action Plaintiffs against the D&Os; and (v) $2,750,000 to settle the claims asserted by the Applicants against the D&Os, in exchange for the releases contemplated in the D&O/Insurer Global Settlement Agreement and the Plan. In addition, the $2 million of first lien debt held by 424187 Alberta Ltd. ("**424**") as a Senior Secured Lender will be cancelled for no consideration under the Plan, in exchange for the release in respect of 424 contemplated by the D&O/Insurer Global Settlement Agreement and the Plan, which will serve to increase the recoveries available for the Applicant's second lien Secured Noteholders (through the cancellation of $2 million of priority, first lien debt).

24. The Settlement Agreements are a positive development for the Applicants. The Settlement Agreements will increase the recoveries available to the Applicants' various stakeholders, including the Secured Noteholders, shareholders and the class members of the various Consumer Class Actions across Canada.

V. THE PLAN

25. With the support of the Ad Hoc Committee, the Securities Class Action Plaintiffs, the Consumer Class Action Plaintiffs, the Monitor and the other settling parties under the Settlement Agreements, the Applicants have formulated the Plan. The purpose of the Plan is to, among other things:

(a) distribute the remaining proceeds of the Asset Sales and any other available proceeds of the Applicants' assets, after the establishment of the various reserves contemplated in the Plan, to the Applicants' secured creditors according to their priorities (including the DIP Loan lenders, the Senior Secured Lenders and the Secured Noteholders);

(b) provide a central forum for the distribution of settlement proceeds from the Settlements to the Applicants' various stakeholders (including the Applicants' Secured Noteholders, shareholders and the class members of the Consumer Class Actions across Canada), in each case according to their various interests and entitlements to same;

(c) give effect to the releases contemplated for the Released Parties under the Plan and the Settlement Agreements, in exchange for the settlement payments made by those parties under the Plan and the Settlement Agreements; and

(d) position the Applicants to continue to pursue the Remaining Estate Claims pursuant to the Litigation Counsel Retainer and the Litigation Funding and Indemnity Reserve for the further benefit of the Applicants' stakeholders.

26. The implementation of the Plan will assist in moving these proceedings towards a conclusion. Accordingly, the Applicants are seeking the authorization of the Court to file the Plan and convene the Meetings.

27. The Plan provides for an orderly and timely distribution of the Applicants' Cash on Hand, subject to the holdback of certain funds reserved for, among other things, the administration of the Plan from and after the Plan Implementation Date, the ongoing administration of the CCAA proceedings and the prosecution of the Remaining Estate Actions by the Litigation Trustee and the Litigation Counsel. The terms of the Plan include the following:

(a) the Plan contemplates two classes of creditors: a class of the Senior Secured Lenders (the "**Senior Lender Class**") and a class of the Secured Noteholders (the "**Secured Noteholder Class**" and, collectively with the Senior Lender Class, the

"**Affected Creditor Classes**" and each individual creditor being an "**Affected Creditor**");

(b) only the Affected Creditors shall be entitled to attend and vote on the Plan at the Meetings in respect of their Affected Creditor Claims;

(c) no Person is entitled to vote under the Plan in respect of an Unaffected Claim;

(d) each Senior Secured Lender and Secured Noteholder shall receive their recoveries under the Plan, as described below;

(e) the Settlement Proceeds allocated to the claims of the Consumer Class Action Plaintiffs and the Securities Class Action Plaintiffs under the terms of the Settlement Agreements shall be allocated and distributed in accordance with the Plan, the Settlement Agreements and the approval orders to be entered by the supervising class action courts in respect of the Settlement Agreements (the "**Class Action Settlement Approval Orders**");

(f) the release of a number of settling parties in accordance with the Settlement Agreements and compromises of the claims of the Senior Secured Lenders and the Secured Noteholders; subject to certain carve-outs from the Plan releases as described below; and

(g) the Plan is conditional upon the satisfaction or waiver of certain conditions on or before the Plan Implementation Date, including, among others, that:

i. the Plan shall have been approved by the Required Majority of each Affected Creditor Class and the CCAA Court;

ii. the Sanction Order shall have been made and shall be in full force and effect, and all applicable appeal periods in respect thereof shall have expired or any appeal shall have been dismissed;

iii. the terms of the Settlement Agreements shall have been approved by all applicable class action courts supervising each of the class actions involved in the Settlements (the "**Class Action Courts**"); and

iv. the U.S. Recognition Order shall have been made and shall be in full force and effect (provided, however, that the Plan Implementation Date shall not be conditional upon the U.S. Recognition Order in the event that the U.S. Recognition Order is not granted due to a lack of jurisdiction of the U.S. court).

VI. TREATMENT OF CREDITORS UNDER THE PLAN

28. 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 accrued interest to the date of implementation of the Plan, less certain amounts to be paid as part of the Settlements as agreed to by Coliseum and 8028702 pursuant to the Priority Motion Settlement Agreement (the "**Senior Lender Plan Payment**"). Pursuant to the D&O/Insurer Global Settlement Agreement to which 424 is a party, 424 has agreed that its Senior Secured Credit Agreement Claim will be cancelled pursuant to the Plan and 424 will receive no consideration in respect thereof, other than as a beneficiary of the releases contained in the Plan and the D&O/Insurer Global Settlement Agreement.

29. The Plan is supported by all three of the Applicants' Senior Secured Lenders, including 424.

30. Pursuant to the Plan, each Secured Noteholder shall be entitled to its pro-rata share of the Applicants' Cash on Hand following the Senior Lender Plan Payment, less certain reserves and other payments set forth in the Plan for amounts in respect of the (i) the implementation of the Plan and administration of the Applicants from and after the implementation of the Plan, (ii) the

Litigation Funding and Indemnity Reserve, (iii) the repayment of priority secured claims, such as the remaining amounts outstanding in respect of the DIP Loan, (iv) the reasonable fees of the CRO, counsel to the CRO, the Monitor, counsel to the Monitor, counsel to the DIP Lenders, counsel to the Ad Hoc Committee, the Indenture Trustee and counsel to the Indenture Trustee, (v) certain amounts to be paid as part of the Priority Motion Settlement Agreement on behalf of the Secured Noteholders, and (vi) certain cash that has been segregated and which may represent costs of borrowing collected by the Applicants after February 12, 2014 (such remaining amount, being the "**Secured Noteholder Initial 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, whether received by the Applicants from the Remaining Estate Litigation, tax refunds, reversions of the reserves and amounts set forth above or otherwise, to be distributed on a subsequent distribution date (the "**Secured Noteholder Subsequent Plan Payment**").

31. In the event that the aggregate of the Secured Noteholder Initial Plan Payment and the Secured Noteholder Subsequent Plan Payment exceed the full amount of the principal, interest, fees and expenses due in respect of the Secured Notes, any and all such excess amounts shall revert to the Applicants for distribution in accordance with a further Order of the Court. In this manner, the Plan preserves the possibility of future distributions to the Applicants' unsecured creditors, in the event that any subsequent events are capable of repaying the Secured Noteholders in full.

32. The Plan is supported by the Ad Hoc Committee, the members of which hold in excess of 70% of the outstanding principal amount of the Secured Notes.

VII. RELEASED CLAIMS

33. The Plan provides that, upon its implementation, the following claims, among others, shall be fully and finally released and discharged pursuant to the Plan, the Sanction Order, the Settlements and the Class Action Settlement Approval Orders:

(a) all claims of the Senior Secured Lenders;

(b) all claims of the Secured Noteholders;

(c) all class action claims that have been or could be asserted by the Consumer Class Actions or the Securities Class Actions against the Applicants and their directors and officers, including in respect of the Priority Motion;

(d) all claims made by any person against DirectCash (and its officers, directors, shareholders and other related persons) related to that person's relationship, business, affairs or dealings with the Applicants other than Non-Released Claims;

(e) all claims made by any person against the D&Os related to that person's relationship, business, affairs or dealings with the Applicants other than the Non-Released Claims (the "**D&O Claims**");

(f) all claims against the Applicants by any of the parties released pursuant to or in accordance with the plan (the "**Released Parties**"), except as set out in Schedule C of the D&O/Insurer Global Settlement Agreement;

(g) all claims against the Applicants (or any of them) by the Alberta Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for

reimbursement or other claims having a monetary value, payable by the Applicants (or any of them);

(h) all claims against the Senior Secured Lenders, solely in their capacity as Senior Secured Lenders;

(i) all claims against the Agent, solely in its capacity as Agent;

(j) all claims against the Indenture Trustee, solely in its capacity as Indenture Trustee and Collateral Agent;

(k) all claims against the Monitor and its legal advisors;

(l) all claims against the CRO, against its legal advisors and against Mr. William E. Aziz personally, including in respect of compliance with any orders of the Alberta Securities Commission; and

(m) all claims against the parties to the Settlement Agreements and their legal and financial advisors in connection with the Plan and the transactions and settlements to be consummated thereunder and in connection therewith;

(n) all claims against Coliseum related to its relationship, business, affairs or dealings with the Applicants; and

(o) all claims against the McCann Entities related to their relationship, business, affairs or dealings with the Applicants.

34. With respect to paragraph 33(g) above, the CRO has complied with and has directed the Applicants to comply with the orders of the Alberta Securities Commission issued to date and has

complied with the ASC Privilege Protocol, which was approved by order of this Court dated March 2, 2015. It is contemplated that the CRO will be discharged upon implementation of the Plan. Once the CRO is discharged and the Plan is implemented, there will be no further funding for the CRO (or for me personally) to comply with orders of the Alberta Securities Commission and the CRO (and I) will no longer have the authority to direct the Applicants to comply with such orders. The Plan therefore provides that the CRO (and myself personally) will be released from further compliance with any orders of the Alberta Securities Commission. For greater certainty, this release does not apply to the Applicants, who will not be released from orders relating to any investigations by or non-monetary remedies of the Alberta Securities Commission.

VIII. NON-RELEASED CLAIMS

35. Notwithstanding the foregoing, nothing in the Plan waives, compromises, releases, discharges, cancels or bars any of the following:

(a) the Applicants from or in respect of any Unaffected Claims;

(b) any of the Plan Settlement Parties from their respective obligations under the Plan, the Sanction Order, the Settlement Agreements or the Class Action Settlement Approval Orders, as applicable;

(c) the Applicants of or from any investigations by or non-monetary remedies of the Alberta Securities Commission or any other Governmental Entity;

(d) the Insurers or any of the Applicants' other insurers from their remaining obligations (if any) under the Insurance Policies;

(e) any Non-Released Claims, being (i) any Claim, brought with leave of the Court, by a Person who is not a party to or bound by the D&O/Insurer Settlement Agreement or the DirectCash Global Settlement Agreement, against the Applicants that is not permitted to be compromised under section 19(2) of the CCAA, (ii) any D&O Claim, brought with leave of the Court, 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 not permitted to be compromised pursuant to Section 5.1(2) of the CCAA, (iii) any Claim, brought with leave of the Court, 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 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 any of them, or by any DirectCash director, officer or employee, when any such person had actual knowledge that the misrepresentation was false, and (iv) any D&O Claim, brought with leave of the Court, by any of the Third Party Lenders (other than any of the McCann Entities) against any of the D&Os (other than the February 2014 Parties);

(f) subject to the terms of the Plan, any of the Remaining Defendants from any of the Remaining Estate Actions; and

(g) the right of the Secured Noteholders to receive any further, additional distributions pursuant to the terms of the Plan (including, without limitation, from any Subsequent Cash On Hand, that may be realized by the Applicants from the

Remaining Estate Litigation or otherwise, as contemplated by Section 6.4(d) of the Plan).

36. In addition, the Plan does not compromise any of the claims listed in sections 6(3), 6(4) or 6(5) of the CCAA, which have been satisfied by the Applicants in the ordinary course of business, prior to the wind-down of their operations and, as the Applicants did not maintain a pension program, section 6(6) of the CCAA does not apply in respect of the proposed Plan.

IX. MEETINGS

37. The Applicants intend to hold the Meetings to enable the Affected Creditors to vote on a resolution to approve the Plan and any amendments thereto. It is proposed that the Senior Lenders Meeting will be held on November 10, 2015 at 9:00 a.m. (Eastern Time) and the Secured Noteholders Meeting will be held at 10:00 a.m. (Eastern Time) at a location to be selected by the Applicants, in consultation with the Monitor, and which shall be included in the Information Package and posted on the Monitor's Website.

38. The draft Meetings Order provides for, *inter alia*, the following in respect of the governance of the Meeting:

(a) delivery of the Information Package to Affected Creditors, including the Notice of Meeting and the Information Statement, as well as the publication of the same on the Monitor's Case Website;

(b) call of a separate meeting for each of the Senior Lender Class and the Secured Noteholder Class;

(c) appointment of an officer of the Monitor to preside as the chair of the Meetings;

(d) the only parties entitled to attend or to speak at the Meetings are the Senior Lenders, the Secured Noteholders through their duly appointed proxyholders, representatives of the Monitor, the Applicants, the CRO, the Ad Hoc Committee, the Indenture Trustee, all such parties' financial and legal advisors, the Chair, Secretary and the Scrutineers;

(e) the quorum for each of the Meetings is one Affected Creditor of the applicable Affected Creditor Class;

(f) the Scrutineers shall tabulate the vote(s) taken at the Meetings and the Monitor shall determine whether the Plan has been accepted by the Required Majority of each Affected Creditor Class;

(g) the filing of a report of the Monitor after the Meetings with respects to the voting results of the Meetings, including whether the Plan has been accepted by the Required Majorities;

(h) if the approval or non-approval of the Plan may be affected by the votes cast in respect of a disputed Secured Noteholder Claim, if any, the results shall be reported to the Court at the Sanction Hearing and the Monitor may make a request to the Court for directions; and

(i) the results of any vote conducted at a Meeting of an Affected Creditor Class shall be binding upon all Affected Creditors of that Affected Creditor Class, whether or not any such Creditor was present or voted at the Meeting.

39. The Applicants believe the classification of creditors as contemplated in the Meetings Order is fair, having regard to the creditors' legal interests, the remedies available to them, the consideration offered to them under the Plan and the extent to which they would recover their claims by exercising those remedies. The Meetings Order does not involve the unsecured creditors of the Applicants because, based on the amount of Asset Sales proceeds and other recoveries that are available for distribution, the Applicants' secured claims will be compromised. At this time, it is anticipated that there will be no recovery for junior creditors and their claims will remain unaffected by the Plan.

X. SANCTION HEARING

40. If the Plan is approved by the Required Majorities, the Applicants intend to seek Court approval of the Plan at a hearing before this Court on November 19, 2015, or such later date as the Court may set (the "**Sanction Hearing**"). Pursuant to the Court-to-Court Protocol, the Applicants, the Consumer Class Action Plaintiffs and the Securities Class Action Plaintiffs will simultaneously seek approval of the Settlements by the Class Action Courts supervising each of the class actions involved in the Settlements.

41. If the Plan is approved at the Sanction Hearing, it is intended that the Monitor will seek recognition of the Sanction Order in an ancillary case to the CCAA proceeding under chapter 15 of the United States Bankruptcy Code in the U.S. Bankruptcy Court, requesting recognition of the CCAA proceeding and requesting an order recognizing and enforcing the CCAA Plan and the Sanction Order in the United States, including as it relates to the D&O/Insurer Global Settlement Agreement (the "**U.S. Recognition Order**"). Notice of the Monitor's motion will be provided and will include the applicable objection deadline and time and date of the hearing before the U.S. Bankruptcy Court.

42. The Applicants are not aware of any other secured claim having priority over the Secured Noteholders, but to confirm, notice of the filing of the Plan and Sanction Hearing will be provided to all parties who have charges, security interests or claims evidenced by registrations pursuant to (i) any personal property registry system in Canada and (ii) Canada Revenue Agency, the ministry of finance or similar governmental agency for each Province in Canada. Notice of the Plan and Sanction hearing will also be published in The Globe and Mail (National Edition), The Edmonton Journal, The Australian (Australia) and The Daily Telegraph (U.K.). Notice of the filing of the Plan and the Sanction Hearing will of course also be provided to the full service list for these proceedings, as maintained by the Monitor. In the Monitor's Twelfth Report to the Court dated November 19, 2014, the Monitor reported to the Court that the security in respect of the Secured Noteholders is valid and enforceable (subject to customary assumptions, qualifications and limitations).

XI. NOTICE TO CREDITORS

43. The Meetings Order provides that the Monitor will send the following documents to each Affected Creditor to provide sufficient notice of the particulars of the Meetings, the Plan and the Sanction Hearing:

(a) the Information Statement (including a copy of the Meetings Order and the Plan);

(b) the Notice of Meetings; and

(c) the Senior Lender Proxy or the Noteholder Voting Instruction Form and Master Proxy, as applicable;

(collectively the "**Information Package**"). The Meetings Order further provides that the Monitor will post copies of the Information Package on its website at http://cfcanada.fticonsulting.com/cashstorefinancial.

XII. CONCLUSION

44. The Applicants intend to proceed toward the approval and implementation of the Plan as a key step towards the conclusion of the CCAA proceedings. Accordingly, as part of the Meetings Order, the Applicants are seeking this Court's acceptance of the filing of the Plan, the authorization and direction as to the calling and conduct of the Meetings and the approval of the Information Package and other proposed forms of notice of the Meetings and the Sanction Hearing.

45. I believe that the Plan is in the best interests of the Applicants and their stakeholders, including the Senior Secured Lenders, the Secured Noteholders, and the class members of the Consumer Class Actions and Securities Class Actions across Canada. I understand that the Plan and the relief sought is supported by the Monitor and the Ad Hoc Committee, which represents the fulcrum creditors in this case, and that the Plan, as it relates to the Settlements and the distribution of the settlement payments contemplated thereby, is also supported by the representative counsel to the Consumer Class Action Plaintiffs and the Securities Class Action Plaintiffs, who represent the Applicants' other affected stakeholders.

46. For the reasons stated herein, I respectfully request that the Meetings Order be granted, together with such other and further relief as this Honourable Court deems just and proper.

SWORN BEFORE ME at Toronto, in the Province of Ontario, on September 23, 2015

Commissioner for Taking Affidavits
Patrick Riesterer

WILLIAM E. AZIZ

EXHIBIT L

INFORMATION STATEMENT

SUMMARY OF PLAN

*This information statement (the "**Information Statement**") provides a summary of certain information contained in the schedules hereto (collectively, the "**Schedules**"), and is provided for the assistance of creditors only. The governing documents are the Plan, which is attached as Schedule "B" to this Information Statement, and the Meetings Order granted by the Court on September 30, 2015 (the "**Meetings Order**"), which is attached as Schedule "C" to this Information Statement.* ***This summary is qualified in its entirety by the more detailed information appearing in the Plan, the Meetings Order or that is referred to elsewhere in the Information Statement. Creditors should carefully read the Plan and the Meetings Order, and not only this Information Statement. In the event of any conflict between the contents of this Information Statement and the provisions of the Plan or the Meetings Order, the provisions of the Plan or the Meetings Order govern.***

Capitalized words and terms not otherwise defined in this Information Statement have the meaning given to those words and terms in the Plan and the Meetings Order.

The Applicants:

1511419 Ontario Inc., formerly known as The Cash Store Financial Services, Inc. ("**CSF**"), 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**") were engaged in the alternative financial products and services business. The Applicants provided 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 retail branches in all of Canada's provinces and territories except Quebec and Nunavut.

The type of product offered by the Applicants varied by jurisdiction, driven primarily by differences in the regulatory framework in different provinces and territories. The following is a summary of the Applicants' primary product offerings:

- **Direct Loans**: In British Columbia, Alberta, Saskatchewan and Nova Scotia, the Applicants' primary product offering was the payday loan (a short-term, non-collateralized loan).

- **Brokered Loans**: In New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island and Yukon, the Applicants brokered requests made by their customers for loans from third-party lenders.

- **Brokered Lines of Credit**: On October 1, 2012 in Manitoba and February 1, 2013 in Ontario, the Applicants stopped offering payday loans and instead launched unsecured medium term revolving credit line products, all of which were brokered out to third-party lenders.

On June 7, 2013, the Director designated under the *Ministry of Consumer and Business Services Act*, R.S.O. 19990, c. M.21, filed an application in the Ontario Superior Court of Justice seeking a declaration that the Applicants' basic line of credit product offered in Ontario (the "**Ontario LOC Product**") was subject to the *Payday Loans Act, 2008*, S.O. 2008, Ch. 9 (the "**Payday Loans Act**"), and that the Applicants must obtain a broker license in order to continue offering this product. On February 12, 2014, the Court concluded that the Ontario LOC Product was subject to the Payday Loans Act and ordered that the Applicants were prohibited from acting as loan broker in respect of the Ontario LOC Product without a broker's license under the Payday Loans Act. On February 12, 2014, the Applicants ceased offering the Ontario LOC Product at all of their Ontario branches.

In addition, on February 15, 2014, regulations came into force in Ontario under the Payday Loans Act that required the Applicant to obtain a lender's license (the "**Lender's License**") under the Payday Loans Act to continue offering certain line of credit products in Ontario. The Applicants applied for a Lender's License in advance of the regulations coming into force and, on February 13, 2014, the Ontario Registrar issued a proposal to refuse to issue a Lender's License to the Applicants. On March 27, 2014, the Ontario Registrar issued a final notice of its decision not to grant a Lender's License to the Applicants. Following the Ontario Registrar's final decision, the Applicants were not eligible to re-apply for a license for period of 12 months. As a result, the Applicants were unable to offer new loans in Ontario. Ontario operations accounted for roughly 30% of the Applicants' revenue in fiscal 2013. In addition, since the Applicants were unable to offer new Ontario LOC Product loans, their ability to collect outstanding customer accounts receivable was also significantly impaired.

Insolvency Proceedings: On April 14, 2014, the Applicants sought and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an order (the "**Initial Order**") of the Ontario Superior Court of Justice (the "**Court**"). 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**"). The Applicants sought CCAA protection due to immediate challenges to their continued operations based

primarily upon the regulatory issues affecting their core business, as discussed above, and also 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.

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) $127.5 million of second lien secured notes (the "**Secured Notes**").

CSF's shares previously traded on the New York Stock Exchange ("**NYSE**") and Toronto Stock Exchange ("**TSX**"). CSF voluntarily delisted its shares from the NYSE on February 28, 2014 and was delisted from the TSX effective May 23, 2014.

The Sale Process:

Prior to the commencement of the CCAA Proceedings, Rothschild 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 or significant investment in the Applicants. The Sale Process continued during the CCAA Proceedings and resulted in a series asset sale transactions pursuant to which the Applicants sold substantially all of their assets (the "**Asset Sales**") and which were approved by Orders of the Court on October 15, 2014, January 26, 2015 and April 10, 2015. The Asset Sales have all closed and are described further below:

- **National Money Mart Transaction**: the Applicants entered into an asset purchase agreement with National Money Mart Company ("**NMM**") dated October 8, 2014, pursuant to which NMM agreed to purchase a significant portion of the Applicants' business and assets, including 150 of the Applicants' branches and a number of other assets, for a purchase price of $51,129,141, subject to final adjustments. NMM is one of Canada's largest payday loan lenders and has existing relationships with payday regulators. The transaction with NMM closed on February 6, 2015.

- **easyfinancial Transaction**: the Applicants entered into an asset purchase agreement with easyfinancial Services Inc. ("**easyfinancial**") on January 16, 2015 pursuant to which easyfinancial agreed to purchase the lease rights and obligations for 45 of the Applicants' locations and certain other associated assets for a purchase price of $2,504,338, subject to final adjustments. The transaction with easyfinancial closed on February 9, 2015.

- **CSF Asset Management Transaction**: the Applicants entered into an asset purchase agreement with CSF Asset Management Ltd. ("**CSF Asset Management**") pursuant to which CSF Asset Management agreed to purchase certain of the Applicants' receivables in respect of payday loans, lines of credit or other loans made by the Applicants that were not sold as part of the NMM transaction, for a purchase price of $650,000. The transaction with CSF Asset Management closed on April 14, 2015.

The Monitor received funds on behalf of the Applicants from each of the Assets Sales (the "**Asset Sale Proceeds**"). The Asset Sale Proceeds have since been used in part to fund the Applicants' remaining operations, repay a portion of the DIP Credit Facility (discussed below) and fund the Applicants' ongoing restructuring efforts. The remaining Asset Sale Proceeds are being held in trust by the Monitor.

Following completion of the Asset Sales and the completion of the transition services that were being performed for NMM, the Applicants are engaged in minimal ongoing operational activities and the focus of their efforts has been attending to various post-closing matters with respect to the Asset Sales, the orderly wind-down of the Applicants' remaining business and assets and the resolution of outstanding claims asserted against the Applicants by various plaintiff groups and asserted by the Applicants against certain third party defendants.

The DIP Credit Facility

During the CCAA proceedings, the Applicants were funded mainly through a super-priority debtor-in-possession credit facility (the "**DIP Credit Facility**") approved by the Court and provided by certain members of the Ad Hoc Committee of Secured Noteholders (the "**Ad Hoc Committee**"). On completion of the Asset Sales, the Asset Sales Proceeds were used to repay the majority of the amounts outstanding under the DIP Credit Facility. The remaining amounts due under the DIP Credit Facility will be repaid in full pursuant to the Plan.

Estate Litigation:

On November 14, 2014, pursuant to an engagement agreement (the "**Litigation Counsel Retainer**"), the Applicants retained Thornton Grout Finnigan LLP and Voorheis & Co LLP (collectively, "**Litigation Counsel**") to investigate certain potential claims by the Applicants against third parties (collectively, the "**Estate Claims**") and to advance such claims on behalf of the Applicants. The Litigation Counsel Retainer was approved by the Court on December 1, 2015. The Litigation Counsel Retainer provides for a fee arrangement pursuant to which the Applicants agreed to pay

Litigation Counsel a contingency fee of 33.33% of amounts recovered in respect of the Estate Claims, plus disbursements and taxes. A copy of the Litigation Counsel Retainer is appended to the Plan as Schedule E.

Litigation Counsel has commenced a number of Estate Claims against various third party defendants. Certain of the Estate Claims have been settled pursuant to the Settlements (discussed below); however, a number of the Estate Claims remain outstanding (the "**Remaining Estate Actions**"). The Remaining Estate Actions are potentially valuable assets of the Applicants' estate. In order to continue the prosecution of the Remaining Estate Actions, an individual shall be designated and retained to act as litigation trustee (the "**Litigation Trustee**") to instruct Litigation Counsel following implementation of the Plan pursuant to the terms and conditions for the retention of the Litigation Trustee as the same may be agreed to among the Applicants, the Litigation Counsel and the Ad Hoc Committee (the "**Litigation Trustee Retainer**").

In addition, pursuant to the Plan, the Applicants shall establish a cash reserve (the "**Litigation Funding and Indemnity Reserve**") in the amount satisfactory to the Applicants, Litigation Counsel, the Ad Hoc Committee and the Monitor, which shall be maintained and administered by the Monitor in accordance with a Litigation Funding and Indemnity Reserve Agreement to be entered into in connection with the Plan. The Litigation Funding and Indemnity Reserve will serve as security for the Litigation Counsel in respect of disbursements, security for costs and/or any adverse cost awards that may be incurred in connection with the prosecution of the Remaining Estate Actions, from and after the implementation of the Plan.

The Settlements:

Throughout the CCAA Proceedings, the Applicants have engaged in ongoing negotiations with various litigation claimants and other interested parties in an effort to resolve (i) numerous claims made against the Applicants and their assets and (ii) numerous claims made by the Applicants against third party defendants. These extensive negotiations have resulted in a series of settlement agreements as described below:

- **Priority Motion Settlement Agreement**: on June 19, 2015, following a mediation with the Honourable Mr. Dennis O'Connor, the Applicants entered into a definitive settlement term sheet with the Consumer Class Action Plaintiffs, Coliseum and 8028702 in their capacity as Senior Secured Lenders, and the Ad Hoc Committee (the "**Priority Motion Settlement Agreement**") pursuant to which, among other

things, (i) the claims asserted by the Ontario Consumer Class Action Plaintiffs (which claims were subsequently supported by the Western Canada Consumer Class Action Plaintiffs) against the Applicants and their assets and (ii) the claims asserted by the Consumer Class Action Plaintiffs against certain of the Senior Secured Lenders were settled among those parties in exchange for the settlement payments and releases contemplated by the Priority Motion Settlement Agreement, with the support of the Monitor. A copy of the Priority Motion Settlement Agreement is appended to the Plan at Schedule A.

- **DirectCash Global Settlement Agreement**: On September 20, 2015, following a mediation with the Honourable Mr. Douglas Cunningham, the Applicants entered into a definitive settlement agreement with the Consumer Class Action Plaintiffs and DirectCash (the "**DirectCash Global Settlement Agreement**") pursuant to which, among other things (i) the claims asserted by the Applicants against DirectCash, (ii) the claims asserted by the Consumer Class Action Plaintiffs against DirectCash and (iii) the claims asserted by DirectCash against the Applicants and their directors and officers were settled among those parties in exchange for the settlement payments and releases contemplated in the DirectCash Global Settlement Agreement, with the support of the Monitor and the Ad Hoc Committee. A copy of the DirectCash Global Settlement Agreement is appended to the Plan at Schedule B.

- **D&O/Insurer Global Settlement Agreement**: On September 22, 2015, following two mediations before the Honourable Mr. George Adams, the Applicants entered into a definitive settlement agreement with the Consumer Class Action Plaintiffs, the Securities Class Action Plaintiffs and the Securities Class Action Defendants (the "**D&O/Insurer Global Settlement Agreement**" and, collectively with the Priority Motion Settlement Agreement and the DirectCash Global Settlement Agreement, the "**Settlement Agreements**" and the "**Settlements**") pursuant to which, among other things (i) the claims asserted by the Securities Class Action Plaintiffs against the Securities Class Action Defendants and any claims the Securities Class Action Plaintiffs may have against the D&Os, (ii) the claims asserted by the Consumer Class Action Plaintiffs against the Securities Class Action Defendants and any claims the Consumer Class Action Plaintiffs may have against the D&Os and (iii) the claims asserted by the Applicants against

the Securities Class Action Defendants and any claims the Applicants may have against the D&Os were settled among those parties in exchange for the settlement payments and releases contemplated in the D&O/Insurer Global Settlement Agreement, with the support of the Monitor and the Ad Hoc Committee. A copy of the D&O/Insurer Global Settlement Agreement is appended to the Plan at Schedule C.

Classification of Creditors:

The Plan provides for two classes of creditors for the purposes of considering and voting on the Plan: (i) the Senior Lender Class; and (ii) the Secured Noteholder Class.

Meetings:

Pursuant to the Meetings Order granted by the Court on September 30, 2015 and the Order of October 6, 2015, the Meetings have been called for the purposes of having Affected Creditors consider and vote on the resolution to approve the Plan and transact such other business as may be properly brought before the applicable Meeting.

The Senior Lender Meeting is scheduled to be held at 9:00 a.m. (Toronto time) on November 10, 2015 at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, Toronto, Ontario.

The Secured Noteholder Meeting is scheduled to be held at 10:00 a.m. (Toronto time) on November 10, 2015 at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, Toronto, Ontario.

The Meetings will be held in accordance with the Meetings Order and any further Order of the Court. The only Persons entitled to attend each of the Meetings are those specified in the Meetings Order.

Greg Watson or another representative of the Monitor as designated by the Monitor, will preside as the chair of the Meetings (the "**Chair**") and, subject to the Meetings Order or any further Order of the Court, will decide all matters relating to the conduct of the Meetings. The Chair will direct a vote at each Meeting with respect to: (i) a resolution to approve the Plan and any amendments thereto; and (ii) any other resolutions as the Applicants may consider appropriate. The form of resolution to approve the Plan is attached as Schedule "A" to this Information Statement.

The quorum required at each Meeting has been set by the Meetings Order as one Senior Lender and one Secured Noteholder, as applicable, present at such Meeting in person or by proxy. If the requisite quorum is not present at a Meeting, then such Meeting will be adjourned by the Chair to such time and place as the Chair deems

necessary or desirable.

Entitlement to Vote:

The only Persons entitled to vote at the Senior Lender Meeting in person or by proxy are the Senior Secured Lenders. The only Persons entitled to vote at the Secured Noteholder Meeting in person or by proxy are the Secured Noteholders who held a Secured Noteholder Claim at 5:00 p.m. (Toronto time) on September 28, 2015 (the "**Voting Record Date**").

With respect to votes to be cast at the Secured Noteholder Meeting by a Secured Noteholder, it is the beneficial holder of the Secured Notes (the "**Beneficial Noteholder**") who is entitled to cast such votes as an Affected Creditor. Each Secured Lender and each Beneficial Noteholder that casts a vote at the Meetings in accordance with the Meetings Order will be counted as an individual Affected Creditor for the applicable Affected Creditor Class.

Senior Lender Meeting

For purposes of voting at the Senior Lender Meeting, (i) each Senior Secured Lender will be entitled to one vote as a member of the Senior Lender Class; (ii) the voting claim of Coliseum shall be deemed to be equal to the Coliseum Senior Secured Credit Agreement Claim; (iii) the voting claim of 8028702 shall be deemed to be equal to the 8028702 Senior Secured Credit Agreement Claim; and (iv) the voting claim of 424187 shall be deemed to be equal to the 424187 Senior Secured Credit Agreement Claim.

Secured Noteholder Meeting

For purposes of voting at the Secured Noteholder Meeting, (i) each Secured Noteholder with a Secured Noteholder Claim as at the Voting Record Date will be entitled to one vote as a member of the Senior Lender Class; (ii) the voting claim of each Secured Noteholder shall be equal to its Secured Noteholder Claim as at the Voting Record Date.

Disputed Secured Noteholder Claims

If there is any dispute as to any Secured Noteholder's Secured Noteholder Claim, the Monitor will request the Participant Holder who maintains book entry records or other records evidencing such Secured Noteholder's ownership of Secured Notes or the Indenture Trustee, as applicable, to confirm with the Monitor the principal amount of Secured Notes held by such Secured Noteholder. If any such dispute is not resolved by such Secured Noteholder and the Monitor by the date of the Secured Noteholder Meeting, the Monitor or the Scrutineers shall tabulate the vote for or against the Plan in respect of the disputed Secured Noteholder Claim separately. If (i) any such dispute remains unresolved as of the date of the Sanction Hearing; and (ii) the approval or non-approval of the Plan would be affected by the votes cast in respect of such disputed Secured Noteholder Claim, then such results shall be reported to the Court at the Sanction Hearing and, if necessary, the Monitor may make a

request to the Court for directions.

Unaffected Claims and Equity Claims

Persons holding Unaffected Claims are not entitled to vote on the Plan at a Meeting in respect of such Unaffected Claim and, except as otherwise permitted in the Meetings Order, will not be entitled to attend a Meeting.

Appointment of Proxyholders and Voting:

An Affected Creditor that is not an individual may only attend and vote at a Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

All proxies submitted in respect of the Senior Lender Meeting must be: (i) submitted by 5:00 p.m. (eastern time) on November 4, 2015 (the "**Voting Deadline**"); and (ii) in substantially the form of the Senior Lender Proxy attached to the Meetings Order, or in such other form acceptable to the Monitor or the Chair.

Secured Noteholders who hold their Secured Notes through a Participant Holder and wish to vote at the Secured Noteholders Meeting must provide instructions to their Participant Holder with respect to their position with respect to such votes, and each Participant Holder must submit to the Monitor, to be received by the Monitor no later than the Voting Deadline, a Noteholder Proxy in the form attached to the Meetings Order setting out the voting position of the Beneficial Noteholders on whose behalf it holds Secured Notes and other prescribed information, in accordance with the Meetings Order. Physical Noteholders who wish to vote at the Secured Noteholders Meeting must submit to the Monitor, to be received by the Monitor no later than the Voting Deadline, a Noteholder Proxy in the form attached to the Meetings Order setting out the principal amount of Secured Notes held by such Physical Holder on the Voting Record Date and such Physical Holder's voting position. On or after the Voting Deadline, the Monitor will record the votes for each applicable Beneficial Noteholder in accordance with the Master Proxies received prior to the Voting Deadline.

Purpose of the Plan:

The purpose of the Plan is: (i) distribute the Asset Sale Proceeds and any other available proceeds of the Applicants' assets to their secured creditors according to their priorities; (ii) provide a central forum for the distribution of settlement proceeds from the Settlements to the Applicants' various stakeholders (including, subject to the terms of the Settlements, the Applicants' Senior Secured Lenders, Secured Noteholders, shareholders and consumer loan plaintiffs) according to their various interests and entitlements to same; (iii) give effect to the releases contemplated for the released parties under the Settlement Agreements, in exchange for the settlement payments made by those parties under the Settlement Agreements; and (iv) position the CCAA estate of the Applicants to continue to pursue the Remaining Estate Actions pursuant to the Litigation Counsel Retainer and the Litigation Trustee Retainer.

Treatment of Affected Claims:

The Plan provides for a full and final release and discharge of the Affected Claims and Released Claims and a settlement of, and consideration for, all Allowed Senior Secured Credit Agreement Claims and Allowed Secured Noteholder Claims. Generally, the Plan provides for treatment of Affected Claims as follows:

Senior Lender Class

Each Senior Secured Lender with an Allowed Senior Secured Credit Agreement Claim shall receive payment in full of the outstanding principal amount of Senior Secured Debt owed to it plus accrued interest to the Effective Date, less certain amounts to be paid as part of certain of the Settlements as and to the extent agreed to by certain of the Senior Secured Lenders with the respect to their respective Senior Secured Credit Agreement Claims. The Senior Secured Credit Agreement Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date.

Secured Noteholder Class

Each Secured Noteholder shall receive its Pro-Rata amount of the Net Cash On Hand, less certain amounts to be paid as part of the Priority Motion Settlement (the "**Secured Noteholder Initial Plan Payment**").

Each Secured Noteholder shall also be entitled to its Pro-Rata share of any Subsequent Cash on Hand held by the Applicants or the Monitor following the Plan Implementation Date ("**Secured Noteholder Subsequent Plan Payment**"), provided that, in the event that the aggregate of the Secured Noteholder Initial Plan Payment and the Secured Noteholder Subsequent Plan Payment exceed the Secured Noteholder Maximum Claim Amount, any and all such excess amounts shall revert to the Applicants for distribution in accordance with a further Order of the Court on notice to the

Service List.

Treatment of Unaffected Claims:

The Plan does not affect the Unaffected Creditors and Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims.

Unaffected Claims are any claims other than the Senior Secured Credit Agreement Claims, the Secured Noteholder Claims and the Released Claims, including without limitation (i) any claim secured by any of the Charges and (ii) any and all unsecured claims, other than any unsecured claims that are Released Claims.

Releases:

On the Plan Implementation Date all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred pursuant to the Plan, the Sanction Order, the Settlements and the Class Action Settlement Approval Orders: (a) all Senior Secured Credit Agreement Claims; (b) all Secured Noteholder Claims; (c) all Class Action Claims against the Applicants and the D&Os; (d) all Claims that have been or could be asserted against the Applicants and the D&Os in the Class Actions and the Priority Motion; (e) all DirectCash Claims against the DirectCash Released Parties; (f) all D&O Claims against the D&Os other than the Remaining Defendant Claims; (g) all Claims against the Applicants by any of the Released Parties, except as set out in Schedule C of the D&O/Insurer Global Settlement Agreement; (h) all Claims against the Applicants (or any of them) by the Alberta Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value, payable by the Applicants (or any of them); (i) all Claims against the Senior Secured Lenders, solely in their capacity as Senior Secured Lenders; (j) all Claims against the Agent, solely in its capacity as the Agent; (k) all Claims against the Indenture Trustee, solely in its capacities as Indenture Trustee and Collateral Agent; (l) all Claims against the Monitor and its legal advisors; (m) all Claims against the CRO, against its legal advisors and against Mr. William Aziz personally, including in respect of compliance with any Orders of the Alberta Securities Commission; (n) all Claims against the Plan Settlement Parties and their legal and financial advisors in connection with this Plan and the transactions and settlements to be consummated hereunder and in connection herewith; (o) all Coliseum Claims against Coliseum; and (p) all McCann Entity Claims against the McCann Entities.

Notwithstanding the foregoing, nothing in the Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

(a) the Applicants from or in respect of any Unaffected Claims; (b) any of the Plan Settlement Parties from their respective obligations under the Plan, the Sanction Order, the Settlement Agreements or the Class Action Settlement Approval Orders; (c) the Applicants of or from any investigations by or non-monetary remedies of the Alberta Securities Commission or any other Governmental Entity; (d) the Insurers or any of the Applicants' other insurers from their remaining obligations (if any) under the Insurance Policies; (e) any of the Released Parties from any Non-Released Claims; (f) subject to Section 7.6, any of the Remaining Defendants from any of the Remaining Estate Actions; (g) the right of the Secured Noteholders to receive any further, additional distributions pursuant to the terms of this Plan (including, without limitation, from any Subsequent Cash On Hand as contemplated by Section 6.4(d) of this Plan); and (h) the Remaining Defendant Claims.

(The foregoing is an abridged summary of the releases contained in the Plan. Creditors should refer to the specific provisions of the Plan for the full scope of the releases provided for therein.)

Creditor Approval of Plan:

In order for the Plan to be approved pursuant to the CCAA, the Plan must be approved by a majority in number of Affected Creditors of each Affected Creditor Class representing at least two thirds in value of the Affected Creditor Claims of each Affected Creditor Class, in each case present and voting in person or by proxy on the resolution approving the Plan at the applicable Meeting in each Affected Creditor Class. If such approvals are obtained, in order to make the Plan effective, the Sanction Order must be obtained.

Court Approval of Plan:

If the Plan is accepted by the Required Majorities, the Applicants will apply for the Sanction Order on November 19, 2015, or as soon thereafter as the matter can be heard (the "**Sanction Hearing**") at the Court at 393 University Avenue, Toronto, Ontario, Canada.

Any Person who wishes to oppose the motion for the Sanction Order must serve upon the lawyers for each of the Applicants and the Monitor and upon all other parties on the Service List, and file with this Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than 5:00 p.m. (Toronto time) on the date that is seven (7) days prior to the Sanction Hearing. ***Creditors should consult with their legal advisors with respect to the legal rights available to them in relation to the Plan and the Sanction Hearing.*** In the event that the Sanction Hearing is adjourned, only those Persons who are listed on the Service List will be served with notice of the adjourned date of the Sanction Hearing.

U.S. Recognition Order

If the Plan is approved at the Sanction Hearing, it is intended that the

Monitor will commence an ancillary case to the CCAA proceeding under chapter 15 of the United States Bankruptcy Code in the U.S. Bankruptcy Court requesting recognition of the CCAA proceeding and requesting an order recognizing and enforcing in the United States the Plan and the CCAA order granting approval of the Plan as they relate to the D&O/Insurer Global Settlement Agreement (the "**U.S. Recognition Order**"), provided, however, that the Plan Implementation Date shall not be conditional upon the U.S. Recognition Order in the event that the U.S. Recognition Order is not granted due to a lack of jurisdiction of the U.S. court. Notice of the Monitor's motion will be provided and will include the applicable objection deadline and time and date of the hearing before the U.S. Bankruptcy Court.

Conditions to Implementation of the Plan:

The implementation of the Plan is conditional upon satisfaction of, among others, the following conditions prior to or at the Effective Time:

(a) the Plan shall have been approved by the Required Majority of each Affected Creditor Class;

(b) the Sanction Order shall have been made in a form consistent with the Plan or otherwise acceptable to the Applicants, the Ad Hoc Committee, the Monitor and, as applicable, the Plan Settlement Parties, and shall be in full force and effect, and all applicable appear periods in respect thereof shall have expired and any appeals therefrom shall have been dismissed;

(c) the terms of the Settlement Agreements shall have been approved by all applicable Class Action Courts pursuant to the Class Action Settlement Approval Orders;

(d) the Class Action Settlement Approval Orders shall be in a form consistent with the Plan and the Settlement Agreements or otherwise acceptable in each case to the Applicants, the Ad Hoc Committee and, as applicable, the relevant Plan Settlement Parties;

(e) for purposes of the D&O/Insurer Global Settlement only, the U.S. Recognition Order shall have been made and shall be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been dismissed (provided, however, that the Plan Implementation Date shall not be conditional upon the U.S. Recognition Order in the event that the U.S.

Recognition Order is not granted due to a lack of jurisdiction of the U.S. court);

(f) DirectCash and the Insurers shall have completed the Pre-Plan Implementation Date Transactions set forth in Article 6.2 of the Plan;

(g) the conditions precedent set forth in section 36 of the D&O/Insurer Global Settlement Agreement shall have been satisfied or waived;

(h) the steps required to complete and implement the Plan shall be in form and substance satisfactory to the Applicants, the Monitor and the Ad Hoc Committee and, as applicable, each of the relevant Plan Settlement Parties;

(i) the Estate TPL Action shall have been amended to discontinue the claims asserted by the plaintiff, The Cash Store Financial Services Inc., against 0678789 B.C. Ltd., Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, and Trimor Annuity Focus Limited Partnership #6, in the Estate TPL Action.

(The foregoing is an abridged summary of certain of the conditions precedent to the implementation of the Plan. A comprehensive list of conditions precedent is provided in Section 9.1 of the Plan.)

Timing of Plan Implementation:

It is anticipated that the Plan will be implemented in accordance with the following timetable:

November 10, 2015	Meetings to vote on the Plan
November 19, 2015	Sanction Order
Within approximately 45-60 days of the Sanction Order	Plan Implementation

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Monitor:	The Monitor supports the Applicants' request to convene the Meetings to consider and vote on the Plan. Further information concerning the Applicants, the CCAA proceeding, the Plan and other events and matters during the course of the CCAA proceedings is available in the numerous reports that have been filed by the Monitor throughout the CCAA proceeding, copies of which are available on the Monitor's website for the CCAA proceeding: *http://cfcanada.fticonsulting.com/cashstorefinancial*
Recommendations of the CRO:	The CRO recommends that the Affected Creditors vote for the resolution to approve the Plan.
Support of the Senior Secured Lenders	The Plan has been developed in consultation with the Senior Secured Lenders, each of whom supports the approval of the Plan and intends to vote for the resolution to approve the Plan.
Support of Ad Hoc Committee of Secured Noteholders	The Plan has been developed in consultation with the Ad Hoc Committee, which represents holders of over 70% of the principal outstanding amount of the Secured Notes. The members of the Ad Hoc Committee support the approval of the Plan and intend to vote for the resolution to approve the Plan.

EXHIBIT M

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 1511419 ONTARIO INC., FORMERLY KNOWN AS THE CASH STORE FINANCIAL SERVICES INC., 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., FORMERLY DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the *Companies' Creditors Arrangement Act*
concerning, affecting and involving

1511419 ONTARIO INC., FORMERLY KNOWN AS THE CASH STORE FINANCIAL SERVICES INC., *et al*

October 6, 2015

PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS the Applicants are insolvent;

AND WHEREAS, on April 14, 2014 (the "**Filing Date**"), the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") granted an initial Order in respect of the Applicants (as such Order was amended and restated on April 15, 2014, and as the same may be further amended, restated or varied from time to time, the "**Amended and Restated Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");

AND WHEREAS, pursuant to Approval and Vesting Orders dated October 15, 2014, January 26, 2015, and April 10, 2015, the Applicants sold substantially all of their businesses and assets (the "**Asset Sales**").

AND WHEREAS, on June 19, 2015, following a mediation with the Honourable Mr. Dennis O'Connor, the Applicants entered into a definitive Settlement Term Sheet in respect of the Priority Motion Settlement pursuant to which, among other things, (i) the claims asserted by the Ontario Consumer Class Action Plaintiff (which claims were subsequently supported by the Western Canada Consumer Class Action Plaintiffs) against the Applicants, their assets and the recoveries available for the secured creditors of the Applicants (including the Senior Secured Lenders and the Secured Noteholders) and (ii) the claims asserted by certain of the Consumer Class Action Plaintiffs against certain of the Senior Secured Lenders are to be settled among those parties in exchange for the settlement payments and releases set out in the Priority Motion Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

AND WHEREAS, on September 20, 2015, following a mediation with the Honourable Mr. Douglas Cunningham, the Applicants entered into a definitive Settlement Term Sheet in respect of the DirectCash Global Settlement pursuant to which, among other things, (i) the claims asserted by the Applicants against DirectCash, (ii) the claims asserted by the Consumer Class Action Plaintiffs against DirectCash and (iii) the claims asserted by DirectCash against the Applicants and the D&Os are to be settled among those parties in exchange for the settlement payments and releases set out in the DirectCash Global Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

AND WHEREAS, on September 22, 2015, following a mediation with the Honourable Mr. George Adams, the Applicants entered into a definitive Settlement Agreement in respect of the D&O/Insurer Global Settlement pursuant to which, among other things, (i) the claims asserted by the Securities Class Action Plaintiffs against the D&O defendants in the Securities Class Actions, (ii) the claims asserted by the Consumer Class Action Plaintiffs against the D&O defendants in the Consumer Class Actions and (iii) the claims asserted by the Applicants against the D&Os in the Estate D&O Action are to be settled among those parties in exchange for the settlement payments and releases set out in the D&O/Insurer Global Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

AND WHEREAS, the purpose of this Plan is to, among other things and subject to entry of the Sanction Order and the Class Action Settlement Approval Orders and the other conditions precedent set forth herein, give effect to the distribution of the proceeds of the Asset Sales, the Priority Motion Settlement, the DirectCash Global Settlement, the D&O/Insurer Global Settlement, and other remaining assets of the Applicants to the Applicant's stakeholders in accordance with their entitlements and interests and to provide certain releases to the Released Parties, in each case on the terms and conditions set forth in this Plan and the Settlements, as the same may be approved by the Affected Creditors, the CCAA Court and the Class Action Courts pursuant to the Sanction Order and the Class Action Settlement Approval Orders.

AND WHEREAS, on September 30, 2015, the CCAA Court granted a Meetings Order (as such Order may be amended, restated or varied from time to time, the "**Meetings Order**") and on October 6, 2015, the Court granted a further Order, pursuant to which, among other things, the Applicants were authorized to file this Plan and to convene a meeting of the Affected Creditors to consider and vote on this Plan.

NOW THEREFORE, the Applicants hereby propose this plan of compromise and arrangement pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"**Accrued Interest**" means (i) in respect of the Senior Secured Credit Agreement Loans, all accrued and unpaid interest on such Senior Secured Credit Agreement Loans, at the regular rates provided in the Senior Secured Credit Agreement, up to and including the Plan Implementation Date and (ii) in respect of the Secured Notes, all accrued and unpaid interest on such Secured Notes, at the regular rates provided in the Secured Note Indenture, up to and including the Filing Date.

"**Ad Hoc Committee**" means the ad hoc committee of certain Secured Noteholders, represented by the Noteholder Advisors in the CCAA Proceeding.

"**Administration Charge**" has the meaning given in paragraph 44 of the Amended and Restated Initial Order.

"**Affected Creditor Claims**" means (i) the Senior Secured Credit Agreement Claims and (ii) the Secured Noteholder Claims, and "**Affected Creditor Claim**" means any of the Affected Creditor Claims.

"**Affected Creditor Class**" has the meaning given in Section 3.2.

"**Affected Creditors**" means, collectively, the Senior Secured Lenders and the Secured Noteholders, and "**Affected Creditor**" means any of the Affected Creditors, in each case only with respect to and to the extent of its Affected Creditor Claim.

"**Agent**" means 424187, in its capacity as the agent for the lenders under the Senior Secured Credit Agreement.

"**Allowed Secured Noteholder Claims**" means, collectively, all amounts due to the Secured Noteholders under the Secured Note Indenture, up to the Secured Noteholder Maximum Claim Amount in the aggregate.

"**Allowed Senior Secured Credit Agreement Claims**" means (i) the Coliseum Senior Secured Credit Agreement Claim and (ii) the 8028702 Senior Secured Credit Agreement Claim.

"**Amended and Restated Initial Order**" has the meaning given in the recitals to this Plan.

"**Anticipated Plan Implementation Date**" means the date to be selected by the Monitor, after consultation with the Plan Settlement Parties, that is ten (10) Business Days before the date on which the Monitor reasonably anticipates that the Plan Implementation Date will occur.

"**Applicable Law**" means any applicable law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Applicants**" means 1511419 Ontario Inc., formerly known as The Cash Store Financial Services, Inc., 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. formerly doing business as "The Title Store", or any of them as applicable.

"**Asset Sales**" has the meaning given in the recitals to this Plan.

"**Beneficial Noteholder**" means a beneficial or entitlement holder of Secured Notes holding such Secured Notes in physical form on its own behalf or in a securities account with the Depository, a Depository participant or other securities intermediary, including for greater certainty, such Depository participant or other securities intermediary only if and to the extent such Depository participant or other securities intermediary holds Notes as principal and for its own account.

"**Bennett Mounteer**" means Bennett Mounteer LLP, solely in its capacity as class counsel for the Western Canada Consumer Class Action Class Members.

"**BIA**" means the *Bankruptcy and Insolvency Act*, R. S. C. 1985, c. B-3.

"**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario.

"**Cancelled Senior Secured Credit Agreement Claim**" means the 424187 Senior Secured Credit Agreement Claim.

"**Cash On Hand**" means all available cash of the Applicants on the Plan Implementation Date, whether held by the Applicants or the Monitor.

"**CCAA**" has the meaning given in the recitals to this Plan.

"**CCAA Court**" has the meaning given in the recitals to this Plan.

"**CCAA Proceeding**" means the proceeding commenced by the Applicants under the CCAA on the Filing Date in the Ontario Superior Court of Justice (Commercial List) under court file number CV-14-10518-00CL.

"**Charges**" means, collectively, the Administration Charge, the Directors' Charge, the TPL Charge, the DIP Priority Charge and the Directors' Subordinated Charge.

"**Claim**" means any right or claim of any Person that may be asserted or made against any other Person, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach, termination, disclaimer, resiliation, assignment or repudiation of any contract, lease, cardholder agreement, service agreement, account agreement or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution or indemnity or otherwise with respect to any matter, action, grievance, cause or chose in action, whether existing at present or commenced in the future, and any interest accrued thereon or costs payable in respect thereof.

"**Class Action Claims**" means, collectively, the Consumer Class Action Claims and the Securities Class Action Claims, and "**Class Action Claim**" means any of them, as applicable.

"**Class Action Courts**" means, with respect to the Consumer Class Actions and the Securities Class Actions, the court of competent jurisdiction that is responsible for supervising the applicable Consumer Class Action or Securities Class Action, and "**Class Action Court**" means any of them, as applicable.

"**Class Action Plaintiffs**" means, collectively, the plaintiffs in the Class Actions.

"**Class Action Settlement Approval Orders**" means the Consumer Class Action Settlement Approval Orders and the Ontario Securities Class Action Settlement Approval Order.

"**Class Actions**" means, collectively, the Consumer Class Actions and the Securities Class Actions.

"**Coliseum**" means Coliseum Capital Management, LLC, and the funds that it manages, including without limitation, Coliseum Capital Partners, LP, Coliseum Capital Partners II, LP and Blackwell Partners, LLC, in its capacity as a Senior Secured Lender under the Senior Secured Credit Agreement.

"**Coliseum Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against Coliseum, in any way relating to its relationship, business, affairs or dealings with any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation of any contract, lease or other agreement with the Applicants, whether written or oral, any claim made or asserted through any affiliate, subsidiary, associated or related person, or any right or ability of any person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including the Consumer Class Actions and any other class action or any proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including any security interest, charge, mortgage, deemed trust, constructive trust or other encumbrance in connection with any of the foregoing, provided however that "Coliseum Claims" do not include any Non-Released Claims.

"**Coliseum Plan Payment**" has the meaning given in Section 4.1(a).

"**Coliseum Senior Secured Credit Agreement Claim**" means the $5,000,000 loaned by Coliseum as a Senior Secured Lender under the Senior Secured Credit Agreement, plus Accrued Interest and any other amounts payable to Coliseum Capital Management, LLC pursuant to the Senior Secured Credit Agreement as of the Implementation Date.

"**Coliseum Settlement Payment**" has the meaning given in Section 4.1(a).

"**Collateral Agent**" means Computershare Trust Company of Canada in its capacity as Collateral Agent under the Secured Note Indenture and the Collateral Documents (as defined in the Secured Note Indenture).

"**Company Advisors**" means Osler, Hoskin, & Harcourt LLP, in its capacity as legal advisor to the Applicants (and the CRO), and Rothschild Inc., in its capacity as financial advisor to the Applicants (and the CRO).

"**Consumer Class Action Class Members**" means the class members in the Consumer Class Actions.

"**Consumer Class Action Claims**" means, collectively, any and all rights or claims of any kind advanced or which may subsequently be advanced in the Consumer Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Consumer Class Action Plaintiffs**" means, collectively, the plaintiffs in the Consumer Class Actions.

"**Consumer Class Action Settlement Approval Orders**" means, collectively, Orders to be entered by the Class Action Courts supervising the Consumer Class Actions approving the Settlements as applicable to the Consumer Class Actions and the Consumer Class Action Claims.

"**Consumer Class Actions**" means, collectively, the Ontario Consumer Class Action and the Western Canada Consumer Class Actions, and "**Consumer Class Action**" means any of them, as applicable.

"**CRO**" means BlueTree Advisors Inc., as Chief Restructuring Officer of the Applicants by appointment of the Court under the Amended and Restated Initial Order.

"**CRO Engagement Letter**" means the engagement letter for the CRO dated April 14, 2014, as amended by a further letter dated July 17, 2014.

"**D&O Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against any of the D&Os, in any way relating to its relationship, business, affairs or dealings with any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation of any contract, lease or other agreement with the Applicants, whether written or oral, any claim made or asserted through any affiliate, subsidiary, associated or related person, or any right or ability of any person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including the Estate D&O Action, the

Consumer Class Actions, the Securities Class Actions and any other class action or any proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including any security interest, charge, mortgage, deemed trust, constructive trust or other encumbrance in connection with any of the foregoing, provided however that "D&O Claims" do not include any Non-Released Claims.

"**D&O/Insurer Estate Action Settlement Amount**" means the $2,750,000 payable by the Insurers to the Applicants pursuant to section 39(c) of the D&O/Insurer Global Settlement Agreement and Sections 6.2(b) and 6.3(p) of this Plan in exchange for the D&O/Insurer Global Settlement Release as it relates to the settled Estate D&O Action.

"**D&O/Insurer Global Settlement**" means the settlement, as set forth in the D&O/Insurer Global Settlement Agreement, pursuant to which, among other things, (i) the claims asserted by the Securities Class Action Plaintiffs against the D&O defendants in the Securities Class Actions, (ii) the claims asserted by the Consumer Class Action Plaintiffs against the D&O defendants in the Consumer Class Actions and (iii) the claims asserted by the Applicants against the D&O defendants in the Estate D&O Action were settled among those parties in exchange for the settlement payments and releases set out in the D&O/Insurer Global Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

"**D&O/Insurer Global Settlement Agreement**" means the Settlement Agreement dated September 22, 2015 in respect of the D&O/Insurer Global Settlement as executed by the Securities Class Action Plaintiffs, the Consumer Class Action Plaintiffs, the D&O defendants in the Securities Class Actions, the D&O defendants in the Consumer Class Actions, the D&O defendants in the Estate D&O Action, a copy of which is appended as Schedule C to this Plan.

"**D&O/Insurer Global Settlement Release**" means the release contemplated by the D&O/Insurer Global Settlement Agreement and this Plan as it relates to the D&O Claims to be effected pursuant to the Plan, the Sanction Order and the applicable Class Action Settlement Approval Orders.

"**D&O/Insurer Ontario Consumer Class Action Settlement Amount**" means the $1,437,500 payable by the Insurers pursuant to section 39(d) of the D&O/Insurer Global Settlement Agreement and Sections 6.2(b) and 6.3(r) of this Plan in exchange for the D&O/Insurer Global Settlement Release as it relates to the Ontario Consumer Class Action and the Ontario Consumer Class Action Claims.

"**D&O/Insurer Securities Class Action Settlement Amount**" means the $13,779,167 payable by the Insurers pursuant to section 39(a) and 39(b) of the D&O/Insurer Global Settlement Agreement and Sections 6.2(b) and 6.3(q) of this Plan in exchange for the D&O/Insurer Global Settlement Release as it relates to the Securities Class Actions and the Securities Class Action Claims.

"**D&O/Insurer Settlement Payment**" means the total settlement payment of $19,033,333 payable by the Insurers under the terms of the D&O/Insurer Global Settlement Agreement and Section 6.2(b) of this Plan in exchange for the D&O/Insurer Global Settlement Release.

"**D&O/Insurer Western Canada Consumer Class Action Settlement Amount**" means the $1,066,666 payable by the Insurers pursuant to section 39(e) of the D&O/Insurer Global Settlement Agreement and Section 6.2(b) and 6.3(s) of this Plan in exchange for the D&O/Insurer Global Settlement Release as it relates to the Western Canada Consumer Class Action Claims.

"**D&Os**" means, collectively, all current and former Directors and Officers of the Applicants.

"**Depository**" means The Canadian Depository for Securities Ltd. or a successor as custodian for its participants, as applicable, and any nominee thereof.

"**DIP Credit Facility**" means the Amended and Restated Debtor-In-Possession Term Sheet dated as of May 20, 2014 between, among others, The Cash Store Financial Services Inc. and the lenders party thereto, as amended by an amending agreement dated as of August 7, 2014, an amending and waiver agreement dated September 29, 2014 and an amending agreement dated November 21, 2014.

"**DIP Lenders**" means the lenders party to the DIP Credit Facility.

"**DIP Priority Charge**" has the meaning given in paragraph 49 of the Amended and Restated Initial Order.

"**DIP Repayment Amount**" means the amount of $6,000,000 necessary to satisfy any and all obligations of the Applicants that remain outstanding under the DIP Credit Facility as at the Plan Implementation Date, other than amounts for the reasonable fees and expenses of counsel to the DIP Lenders payable from the Expense Reimbursement.

"**DirectCash**" means, collectively, DirectCash Payments Inc., DirectCash Management Inc. (in its own capacity and as general partner of DirectCash ATM Processing Partnership, DirectCash ATM Management Partnership, and DirectCash Canada Limited Partnership), DirectCash ATM Processing Partnership, DirectCash ATM Management Partnership, DirectCash Canada Limited Partnership, DirectCash Bank, DirectCash Acquisition Corp, DirectCash Management UK Ltd., and DirectCash Management Australia Pty Ltd.

"**DirectCash Claims**" means any right or claim of any Person (including, without limitation, the Class Action Plaintiffs, Cash Store (as defined in the DirectCash Global Settlement Agreement) and any claims that could be brought on behalf of it by the Monitor, the CRO or by any of its representatives or affiliates (including, without limitation, The Cash Store Financial Limited (06773351), CSF Insurance Services Limited, The Cash Store Limited (06773354), The Cash Store Financial Corporation, The Cash Store Australia Holdings Inc. and The Cash Store Pty Ltd. (ACN107205612)) that may be asserted or made in whole or in part against any DirectCash Released Party, in any way relating to that Person's relationship, business, affairs or dealings with Cash Store (as defined in the DirectCash Global Settlement Agreement) or DirectCash in respect of Cash Store (as defined in the DirectCash Global Settlement Agreement), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of

duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the breach, termination, disclaimer, resiliation, assignment or repudiation of any contract, lease, cardholder agreement, service agreement, account agreement or other agreement with Cash Store (as defined in the DirectCash Global Settlement Agreement) and/or their customers, whether written or oral, any claim made or asserted through any affiliate, subsidiary, associated or related Person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including the Ontario Class Action, the Western Canada Class Actions and any other class action or any proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including any security interest, charge, mortgage, deemed trust, constructive trust or other encumbrance in connection with any of the foregoing, provided however that notwithstanding anything else in the Plan, none of the DirectCash Released Parties shall be released pursuant to the Plan and/or the Sanction Order in respect of any claim by any Person that is commenced with leave of the CCAA Court and 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 a DirectCash director, officer or employee when such director, officer or employee had actual knowledge that the misrepresentation was false (any such claim being a "**DirectCash Non-Released Claim**"). .

"**DirectCash Estate Action Settlement Amount**" means the $4,500,000 payable by DirectCash pursuant to section 5(a) of the DirectCash Global Settlement Agreement and Sections 6.2(a), 6.3(m) and 6.4(b)(i) of this Plan in exchange for the DirectCash Global Settlement Release as it relates to the Estate DirectCash Action.

"**DirectCash Global Settlement**" means the settlement reached among the Applicants, the Consumer Class Action Plaintiffs and DirectCash, as set forth in the DirectCash Global Settlement Agreement, pursuant to which, among other things, (i) the claims asserted by the Consumer Class Action Plaintiffs against DirectCash, (ii) the claims asserted by the Applicants against DirectCash and (iii) the claims asserted by DirectCash against the Applicants and the D&Os, were settled among those parties in exchange for the settlement payments and releases set out in the DirectCash Global Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

"**DirectCash Global Settlement Agreement**" means the Settlement Term Sheet dated September 20, 2015 in respect of the DirectCash Global Settlement as executed by the Applicants, the Consumer Class Action Plaintiffs and DirectCash, a copy of which is appended as Schedule B to this Plan.

"**DirectCash Global Settlement Release**" means the release contemplated by the DirectCash Global Settlement Agreement and this Plan as it relates to the DirectCash Claims to be effected pursuant to the Plan, the Sanction Order and the applicable Class Action Settlement Approval Orders.

"**DirectCash Ontario Consumer Class Action Settlement Amount**" means the $6,150,000 payable by DirectCash pursuant to section 5(b) of the DirectCash Global Settlement Agreement and Sections 6.2(a), 6.3(n) and 6.4(b)(ii) of this Plan in exchange for the DirectCash Global Settlement Release as it relates to the Ontario Consumer Class Action and the Ontario Consumer Class Action Claims.

"**DirectCash Released Parties**" means, collectively, DirectCash and all of their respective present and former shareholders, parents, partners, partnerships, subsidiaries, affiliates and predecessors, and each of their present and former directors, officers, servants, agents, employees, insurers, contractors, consultants, and each of the successors and assigns of any of the foregoing, and each such Person is referred to individually as a "**DirectCash Released Party**".

"**DirectCash Settlement Payment**" means the $14,500,000 payable by DirectCash pursuant to the DirectCash Global Settlement Agreement and Section 6.2(a) and 6.4(a) of this Plan in exchange for the DirectCash Global Release.

"**DirectCash Western Canada Consumer Class Action Settlement Amount**" means the $3,850,000 payable by DirectCash pursuant to section 5(c) of the DirectCash Global Settlement Agreement and Sections 6.2(a), 6.3(o) and 6.4(b)(iii) of this Plan in exchange for the DirectCash Global Settlement Release as it relates to the Western Canada Consumer Class Actions and the Western Canada Consumer Class Action Claims.

"**Directors**" means, collectively, any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants, and any such Person is referred to individually as a "**Director**".

"**Directors' Charge**" has the meaning given in paragraph 28 of the Amended and Restated Initial Order.

"**Directors' Subordinated Charge**" has the meaning given in paragraph 53 of the Amended and Restated Initial Order.

"**Distribution Record Date**" means the Plan Implementation Date, or such other date as the Applicants, the Monitor and the Ad Hoc Committee may agree, each acting reasonably.

"**Effective Time**" means 8:00 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as the Applicants, the Monitor and the Ad Hoc Committee may agree, each acting reasonably.

"**Estate Action Claims**" means, collectively, any and all rights or claims of any kind advanced or which may subsequently be advanced by the Applicants, the CRO, the Litigation Counsel or

the Litigation Trustee on behalf of the Applicants in the Estate Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Estate Action Litigation Proceeds**" means any settlement or litigation proceeds that may be realized in respect of the Remaining Estate Actions.

"**Estate Actions**" means, collectively, (i) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against Canaccord Genuity Inc. in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10773-00CL, (ii) the Estate TPL Action, (iii) the Estate D&O Action, (iv) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against KPMG LLP in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10771-00CL, (v) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against Cassels Brock & Blackwell LLP in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10774-00CL, (vi) the Estate DirectCash Action and (vii) any and all rights or claims of any kind which may subsequently be advanced by the Applicants, the CRO, the Litigation Counsel or the Litigation Trustee on behalf of the Applicants against any Person or party, other than the Released Parties, in the Estate Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Estate DirectCash Action**" means the proceeding commenced by the plaintiffs, 1511419 Ontario Inc. (former The Cash Store Financial Services Inc.), 1545688 Alberta Inc. (formerly The Cash Store Inc.) and 1152919 Alberta Inc. (formerly Instaloans Inc.) against DirectCash Bank, DirectCash Payments Inc., DirectCash Management Inc., DirectCash Canada Limited Partnership, DirectCash ATM Processing Partnership and DirectCash ATM Management Partnership in the Ontario Superior Court of Justice (Commercial List) on July 2, 2015, Court File No. CV-15-531577.

"**Estate D&O Action**" means the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc., against Gordon Reykdal, William Dunn, Edward McClelland, J. Albert Mondor, Rob Chicoyne, Robert Gibson, Michael Shaw, Barret Reykdal, S. William Johnson, Nancy Bland, Cameron Schiffner and Michael Thompson in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10772-00CL.

"**Estate TPL Action**" means the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, Trimor Annuity Focus Limited Partnership #6, 367463 Alberta Ltd., 0678786 BC Ltd., Bridgeview Financial Corp., Inter-Pro Property Corporation (USA), Omni Ventures Ltd., FSC Abel Financial Inc., L-Gen Management Inc., Randy Schiffner and Slade Schiffner in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10770-00CL.

"**Excluded Persons**" means the Securities Class Action Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is an immediate member of the family of an individual Securities Class Action Defendant.

"**Expense Reimbursement**" means the reasonable fees and expenses of the CRO, counsel to the CRO, the Monitor, counsel to the Monitor, counsel to the DIP Lenders, counsel to the Ad Hoc Committee, the Indenture Trustee and counsel to the Indenture Trustee, in each case up to the Plan Implementation Date, which shall be paid on the Plan Implementation Date from the Cash on Hand pursuant to Section 6.4(d) of this Plan.

"**February 2014 Parties**" means the CCRO (as defined in the Amended and Restated Initial Order) and the special committee of independent directors formed by the Applicants on February 19, 2014.

"**Filing Date**" has the meaning given in the recitals to this Plan.

"**Final DirectCash Settlement Payment**" has the meaning given in Section 6.4(a).

"**First DirectCash Estate Action Settlement Payment**" means the $2,975,750 (being $3,725,000 less the $749,250 to be paid to Litigation Counsel in respect of the fees and expenses of Litigation Counsel incurred in prosecuting and settling the Estate DirectCash Action pursuant to Section 6.3(l) of this Plan) portion of the DirectCash Estate Action Settlement Amount to be paid to the Indenture Trustee, for distribution to the Secured Noteholders, pursuant to Section 6.3(m) of this Plan.

"**First DirectCash Ontario Consumer Class Action Settlement Payment**" means the $5,087,500 portion of the DirectCash Ontario Consumer Class Action Settlement Amount to be paid to Harrison Pensa, in trust for the Ontario Consumer Class Action Class Members, pursuant to Section 6.3(n) of this Plan.

"**First DirectCash Western Canada Consumer Class Action Settlement Payment**" means the $3,187,500 portion of the DirectCash Western Canada Consumer Class Action Settlement Amount to be paid Bennett Mounteer, in trust for the Western Canada Consumer Class Action Class Members, pursuant to Section 6.3(o) of this Plan.

"**Goodmans**" means Goodmans LLP, solely in its capacity as legal counsel to the Ad Hoc Committee.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Harrison Pensa**" means Harrison Pensa, LLP, solely in its capacity as representative counsel for the Ontario Consumer Class Action Class Members pursuant to the Order entered in the CCAA Proceeding dated June 16, 2014.

"**Indenture Trustee**" means, collectively, Computershare Trust Company, N.A., as U.S. trustee under the Secured Note Indenture, and Computershare Trust Company of Canada, as Canadian trustee and collateral agent under the Secured Note Indenture.

"**Initial DirectCash Settlement Payment**" has the meaning given in Section 6.2(a).

"**Insurance Policies**" means, collectively, the following insurance policies, as well as any other insurance policy pursuant to which the Applicants or any D&Os are or may be insured: (i) ACE INA Insurance Policy No. DO025454; (ii) Certain Underwriters at Lloyd's Insurance Policy No. DY967983, (iii) Royal & Sun Alliance Insurance Company of Canada Insurance Policy No. 9500807, and (iv) AXIS Reinsurance Company (Canadian Branch) Insurance Policy No. CTS768993/01/2012, and "**Insurance Policy**" means any of the Insurance Policies.

"**Insurers**" means (i) ACE INA Insurance, (ii) Certain Underwriters at Lloyd's subscribing to Policy No. DY967983, (iii) Royal & Sun Alliance Insurance Company of Canada, and (iv) AXIS Reinsurance Company (Canadian Branch), in each case in respect of their respective Insurance Policy, and "**Insurer**" means any of the Insurers.

"**Litigation Counsel**" means the litigation counsel retained by the Applicants for purposes of pursuing the Estate Actions on the terms and conditions set forth in Schedule D to this Plan.

"**Litigation Counsel Retainer**" means the terms for the retention of Litigation Counsel, as approved pursuant to the Order of the CCAA Court dated December 1, 2014, a copy of which is appended as Schedule D to this Plan, as such terms may be amended with the consent of the Monitor, the Ad Hoc Committee, Litigation Counsel and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably.

"**Litigation Funding and Indemnity Reserve**" means the cash reserve to be established by the Applicants, on behalf of the Secured Noteholders, on the Plan Implementation Date in an amount satisfactory to the Applicants, the Litigation Trustee, the Litigation Counsel, the Monitor and the Ad Hoc Committee, which cash reserve shall be (i) maintained and administered by the Monitor in connection with the prosecution of the Remaining Estate Actions in accordance with the Litigation Funding Indemnity Reserve Agreement and (ii) otherwise held in trust for the Secured Noteholders and contributed to Subsequent Cash on Hand to be distributed in accordance with Section 6.4(d) of this Plan.

"**Litigation Funding and Indemnity Reserve Agreement**" means the agreement to be entered into prior to the Plan Implementation Date among the Applicants, the Monitor, the Litigation Counsel and the proposed Litigation Trustee, with the consent of the Ad Hoc Committee, for the efficient administration of the Litigation Funding and Indemnity Reserve.

"**Litigation Trustee**" means the individual designated to serve, with the consent of the Litigation Counsel and the Ad Hoc Committee, as the litigation trustee in respect of, and on behalf of the Applicants, as named and appointed under the Sanction Order.

"**Litigation Trustee Retainer**" means the terms and conditions for the retention of the Litigation Trustee, as the same may be agreed to among the Applicants, the Litigation Counsel and the Ad

Hoc Committee, and as the same may be amended with the consent of the Ad Hoc Committee, the Litigation Counsel and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably.

"**McCann Entity Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against any of the McCann Entities, in any way relating to its relationship, business, affairs or dealings with any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation of any contract, lease or other agreement with the Applicants, whether written or oral, any claim made or asserted through any affiliate, subsidiary, associated or related person, or any right or ability of any person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including the Consumer Class Actions and any other class action or any proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including any security interest, charge, mortgage, deemed trust, constructive trust or other encumbrance in connection with any of the foregoing, provided however that "McCann Entity Claims" do not include any Non-Released Claims.

"**McCann Entities**" means, collectively, 8028702, 0678786 B.C. Ltd, any of their affiliated entities, and J. Murray McCann in his personal capacity as a director or officer of any of the McCann Entities.

"**Meetings**" means each meeting of Affected Creditors, and any adjournment or extension thereof, that is called and conducted in accordance with the Meetings Order for the purpose of considering and voting on the Plan.

"**Meetings Order**" has the meaning given in the recitals to this Plan.

"**Monitor**" means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Applicants in the CCAA Proceeding.

"**Monitor's Distribution Account**" means an interest-bearing account to be established by the Monitor for purposes of holding the Settlement Payments in escrow pending the Plan Implementation Date, and in trust for the beneficiaries thereof upon the Plan Implementation Date.

"**Monitor's Post-Implementation Reserve**" means the cash reserve to be established on the Plan Implementation Date in the amount of $775,000 (or such other amount as may be agreed by the Applicants, the Monitor and the Ad Hoc Committee in advance of the Plan Implementation Date, or the Monitor and the Ad Hoc Committee after the Plan Implementation Date), which cash reserve shall be maintained and administered by the Monitor for the purpose of paying the costs and expenses of the Applicants and administering the Applicants and the Plan, as necessary, from and after the Plan Implementation Date, including with respect to payment of the reasonable professional fees and expenses of (i) the Monitor, (ii) counsel to the Monitor, (iii) Goodmans as counsel to the Ad Hoc Committee, (iv) U.S. counsel to the Monitor in connection with obtaining the U.S. recognition order, (v) the Indenture Trustee and (vi) counsel to the Indenture Trustee, that are in each case required and reasonably incurred after the Plan Implementation Date in connection with the administration of the Applicants and the administration and implementation of the Plan.

"**Monitor's Remaining Defendant Settlement Certificate**" has the meaning given in Section 10.2(a).

"**Net Cash On Hand**" means all Cash On Hand, less the amounts required in respect of the: (i) Monitor's Post-Implementation Reserve, (ii) Litigation Funding and Indemnity Reserve, (iii) Expense Reimbursement, (iv) DIP Repayment Amount, (v) Coliseum Plan Payment, (vi) Coliseum Settlement Payment, (vii) 8028702 Plan Payment, (viii) 8028702 Settlement Payment and (ix) the Segregated Cash.

"**Net D&O/Insurer Securities Class Action Settlement Proceeds for Certain Holders of Secured Notes**" means the amount of $8,904,167 of settlement proceeds realized in respect of the Securities Class Action Claims against the Applicants and the D&Os in respect of the Secured Notes that were settled pursuant to the D&O/Insurer Global Settlement, as available to certain holders of the Secured Notes at the relevant times pursuant to the terms of the Plan of Allocation, less the deduction of the Securities Class Action Fees and any other disbursements, payments or expenses approved by the Class Action Court supervising the Ontario Securities Class Action.

"**Net Estate DirectCash Action Settlement Proceeds**" means the amount of $4,500,000 of settlement proceeds realized by the Applicants in respect of the Estate DirectCash Action that was settled pursuant to the DirectCash Global Settlement, less $749,250 to be paid to Litigation Counsel in respect of the fees and expenses of Litigation Counsel incurred in prosecuting and settling the Estate DirectCash Action.

"**Net Subsequent Litigation Proceeds**" means any settlement or litigation proceeds that may from time to time be realized in respect of the Remaining Estate Actions, after payment of (i) the fees and expenses of Litigation Counsel pursuant to the terms of the Litigation Counsel Retainer, (ii) the fees and expenses of the Litigation Trustee pursuant to the terms of the Litigation Trustee Retainer and (iii) the cost of any alternate litigation funding arrangements as contemplated by paragraph 17 of the Litigation Counsel Retainer.

"**Net Subsequent Litigation Proceeds for Consumer Class Action Class Members**" has the meaning given in Section 4.3(a)(iv) of this Plan.

"**Net Subsequent Litigation Proceeds for Secured Noteholders**" means any settlement or litigation proceeds that may from time to time be realized in respect of the Remaining Estate Actions, after payment of (i) the fees and expenses of Litigation Counsel pursuant to the terms of the Litigation Counsel Retainer, (ii) the fees and expenses of the Litigation Trustee pursuant to the terms of the Litigation Trustee Retainer, and (iii) the Net Subsequent Litigation Proceeds for Consumer Class Action Class Members.

"**Non-Released Claims**" means (i) any Claim against the Applicants, brought with leave of the Court, 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, against any Person that is not permitted to be compromised under section 19(2) of the CCAA, (ii) any D&O Claim, brought with leave of the Court, 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 not permitted to be compromised pursuant to section 5.1(2) of the CCAA, (iii) any Claim, brought with leave of the Court, 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, (iv) any D&O Claim, brought with leave of the Court, by any of the Third Party Lenders (other than any of the McCann Entities) against any of the D&Os (other than the February 2014 Parties); and (v) any Direct Cash Non-Released Claim;

"**Noteholder Advisors**" means Goodmans and Houlihan Lokey, Howard & Zukin Capital, Inc., solely in its capacity as financial advisor to the Ad Hoc Committee.

"**Officers**" means, collectively, any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, and any such Person is referred to individually as an "**Officer**".

"**Ontario Consumer Class Action**" means the Ontario consumer class action proceeding styled as *Yeoman v. The Cash Store Financial et. al.* (Ontario Superior Court of Justice, Action No. 7908/12 CP and/or Ontario Superior Court Action No. 4171/14).

"**Ontario Consumer Class Action Class Members**" means the class members in the Ontario Consumer Class Action.

"**Ontario Consumer Class Action Claims**" means, collectively, any and all Claims which may subsequently be advanced in the Ontario Consumer Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Ontario Consumer Class Action Plaintiff**" means the plaintiff in the Ontario Consumer Class Action.

"**Ontario Securities Class Action**" means the Ontario securities class action proceeding styled as *Fortier v. The Cash Store Financial Services, Inc., et al.* (Ontario Superior Court of Justice, Court File No. CV-13-481943-00CP).

"**Ontario Securities Class Action Plaintiff**" means the plaintiff in the Ontario Securities Class Action.

"**Ontario Securities Class Action Settlement Approval Order**" means the Order to be entered by the Class Action Court supervising the Ontario Securities Class Action, substantially in the form appended to the D&O/Insurer Global Settlement Agreement.

"**Order**" means any order of a Court made in connection with the CCAA Proceeding, this Plan, the Class Actions or the Settlements.

"**Permitted Continuing Retainer**" has the meaning given in Section 6.3(c).

"**Person**" means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"**Plan**" means this Plan of Compromise and Arrangement (including all schedules hereto) filed by the Applicants pursuant to the CCAA, as it may be further amended, supplemented or restated from time to time in accordance with the terms of this Plan or any Order.

"**Plan Implementation Date**" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which all of the conditions precedent set forth in Section 9.1 have been satisfied or waived, or such subsequent date as the Applicants, the Monitor and the Ad Hoc Committee may agree, each acting reasonably.

"**Plan of Allocation**" means the plan for distributing the D&O/Insurer Securities Class Action Settlement Amount, including distribution of the Net D&O/Insurer Securities Class Action Settlement Proceeds for Certain Holders of the Secured Notes, which shall be presented to the Class Action Court supervising the Ontario Securities Class Action for approval substantially in the form appended as Schedule D to this Plan.

"**Plan Settlement Parties**" means, collectively, the Applicants (as represented by Osler, Hoskin & Harcourt LLP), the Securities Class Action Plaintiffs (as represented by Siskinds), the Ontario Consumer Class Action Plaintiff (as represented by Harrison Pensa), the Western Canada Consumer Class Action Plaintiffs (as represented by Bennett Mounteer), DirectCash (as represented by Dentons LLP), the D&Os and the Insurers (notice to be provided, for purposes of this Plan, to Lenczner Slaght Royce Smith Griffin LLP and Blake, Cassels & Graydon LLP), and each such Person is referred to individually as a "**Plan Settlement Party**".

"**Priority Motion**" means the motion filed in the CCAA Proceeding dated April 30, 2015 pursuant to which the Ontario Consumer Class Action Plaintiff asserted various priority claims (which claims were subsequently supported by the Western Canada Consumer Class Action Plaintiffs) against the Applicants, their assets and the recoveries available for the secured creditors of the Applicants (including the Senior Secured Lenders and the Secured Noteholders).

"**Priority Motion Costs Amount**" means $150,000 payable to Harrison Pensa as counsel to the Ontario Consumer Class Action Plaintiff by the Applicants, on behalf of the Secured Noteholders, Coliseum and 8028702, pursuant to section 5 of the Priority Motion Settlement Agreement and Sections 6.3(f)(ii), 6.3(h)(ii) and 6.3(i)(ii) of this Plan.

"**Priority Motion Settlement**" means the settlement reached among the Applicants, the Consumer Class Action Plaintiffs, Coliseum, 8028702 and its affiliates, and the Ad Hoc Committee, as set forth in the Priority Motion Settlement Agreement, pursuant to which, among other things, (i) the claims asserted by the Ontario Consumer Class Action Plaintiff (which claims were subsequently supported by the Western Canada Consumer Class Action Plaintiffs) against the Applicants, their assets and the recoveries available for the secured creditors of the Applicants (including the Senior Secured Lenders and the Secured Noteholders) and (ii) the claims asserted by certain of the Consumer Class Action Plaintiffs against certain of the Senior Secured Lenders, were all agreed to be settled among those parties in exchange for the settlement payments and releases set out in the Priority Motion Settlement Agreement and this Plan, with the concurrence of the Monitor and the Ad Hoc Committee.

"**Priority Motion Settlement Agreement**" means the Settlement Term Sheet dated June 19, 2015 in respect of the Priority Motion Settlement as executed by the Applicants, the Class Action Plaintiffs, Coliseum, 8028702 and its affiliates, and the Ad Hoc Committee, a copy of which is appended as Schedule A to this Plan.

"**Priority Motion Settlement Amount**" means the $1,450,000 payable to the Consumer Class Action Class Members by the Applicants, on behalf of the Secured Noteholders, Coliseum and 8028702, pursuant to section 1 of the Priority Motion Settlement Agreement and by way of the Coliseum Settlement Payment, the 8028702 Settlement Payment and the Secured Noteholder Settlement Payment, payable pursuant to Sections 6.3(f), 6.3(h) and 6.3(i) of this Plan, respectively, which amount shall be allocated among the Consumer Class Actions as follows: (i) $250,000 shall be allocated to the Ontario Consumer Class Action in respect of the settlement reached between the Ontario Consumer Class Action Plaintiff and the McCann Entities under, and in accordance with, section 1(b) of the Priority Motion Settlement; (ii) $150,000 shall be allocated to Harrison Pensa in respect of its out-of-pocket expenses incurred in connection with the Priority Motion Settlement; and (iii) the remaining $1,050,000 of which shall be allocated 50% to the Ontario Consumer Class Action and 50% to the Western Canada Consumer Class Actions.

"**Pro-Rata**" means with respect to any Secured Noteholder in relation to all Secured Noteholders, the proportion of (i) the principal amount of Secured Notes beneficially owned by such Secured Noteholder as of the Distribution Record Date, in relation to (ii) the aggregate principal amount of all Secured Notes outstanding as of the Distribution Record Date.

"**Released Claims**" means, collectively, all of the Claims released in accordance with Section 7.1.

"**Released Parties**" means, collectively, those Persons released pursuant to or in accordance with Article 7 hereof, but only to the extent so released, and each such Person is referred to individually as a "**Released Party**"; provided that, "Released Party" and "Released Parties" shall

include any Remaining Defendant in respect of whom a Remaining Defendant Settlement Certificate has been delivered pursuant to Article 10 of this Plan.

"**Remaining Defendant**" means any of the defendants in the Remaining Estate Actions, and "**Remaining Defendants**" means all of them collectively.

"**Remaining Defendant Claims**" means any set-off claims or counterclaims brought by the Remaining Defendants, or any of them, in any action commenced against such Remaining Defendants by a D&O or a D&O's insurer to the maximum of the quantum of liability assessed against the Remaining Defendants in such action, if any, and claims for legal costs against the D&Os in respect of any action commenced against such Remaining Defendants by a D&O or a D&O's insurer.

"**Remaining Defendant Release**" means a release of any applicable Remaining Defendant agreed to pursuant to a Remaining Defendant Settlement and approved pursuant to a Remaining Defendant Settlement Order, provided that each such release must be acceptable to the Monitor, the Ad Hoc Committee, the Litigation Counsel and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably.

"**Remaining Defendant Settlement**" means a binding settlement between any applicable Remaining Defendant and the Applicants as plaintiffs in the applicable Estate Action, provided that, each such settlement must be acceptable to the Monitor, the Ad Hoc Committee, the Litigation Counsel and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably.

"**Remaining Defendant Settlement Order**" means an Order of the CCAA Court approving a Remaining Defendant Settlement in form and in substance satisfactory to the applicable Remaining Defendant, the Monitor, the Ad Hoc Committee, the Litigation Counsel and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably.

"**Remaining Estate Actions**" means, collectively, (i) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against Canaccord Genuity Inc. in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10773-00CL, (ii) the Estate TPL Action, as amended pursuant to Section 9.1(m) of this Plan, (iii) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against KPMG LLP in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10771-00CL, (iv) the proceedings commenced by the plaintiff, The Cash Store Financial Services Inc. against Cassels Brock & Blackwell LLP in the Ontario Superior Court of Justice (Commercial List) on November 27, 2014, Court File No. CV-14-10774-00CL, and (v) any and all rights or claims of any kind which may subsequently be advanced by the Applicants or the Litigation Trustee on behalf of the Applicants against any person or party, other than the Released Parties, in the Estate Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Remaining Segregated Cash**" means any and all portions of the Segregated Cash that may be returned to the Applicants pursuant to the terms and conditions of the Priority Motion Settlement Agreement and further Order of the CCAA Court as contemplated thereby.

"**Required Majority**" means, for each Affected Creditor Class, a majority in number of the Affected Creditors for that Class, and two-thirds in value of the claims held by such Affected Creditors in that Class, in each case who vote (in person or by proxy) on the Plan at the Meeting.

"**Sanction Date**" means the date that the Sanction Order is granted by the Court.

"**Sanction Order**" means the Order of the CCAA Court sanctioning and approving this Plan.

"**Second DirectCash Estate Action Settlement Payment**" means the $775,000 portion of the DirectCash Estate Action Settlement Amount to be paid to the Indenture Trustee, for distribution to the Secured Noteholders, pursuant to Section 6.4(b)(i) of this Plan.

"**Second DirectCash Ontario Consumer Class Action Settlement Payment**" means the $1,062,500 portion of the DirectCash Ontario Consumer Class Action Settlement Amount to be paid to Harrison Pensa, in trust for the Ontario Consumer Class Action Class Members, pursuant to Section 6.4(b)(ii) of this Plan.

"**Second DirectCash Western Canada Consumer Class Action Settlement Payment**" means the $662,500 portion of the DirectCash Western Canada Consumer Class Action Settlement Amount to be paid to Bennett Mounteer, in trust for the Western Canada Consumer Class Action Class Members, pursuant to Section 6.4(b)(iii) of this Plan.

"**Secured Note Indenture**" means the secured note indenture dated as of January 31, 2012, by and between The Cash Store Financial Services Inc., the entities listed as guarantors therein, Computershare Trust Company, N.A., as U.S. Trustee, and Computershare Trust Company of Canada, as Canadian Trustee and Collateral Agent, as amended, modified or supplemented.

"**Secured Noteholder Claim**" means a claim by a Secured Noteholder (or a trustee or other representative on the Noteholder's behalf) in respect of principal and Accrued Interest payable to such Secured Noteholder pursuant to such Secured Notes or the Secured Note Indenture, and "**Secured Noteholder Claims**" means all such claims collectively and in the aggregate.

"**Secured Noteholder Maximum Claim Amount**" means the full amount of principal, interest, fees and expenses due in respect of the Secured Notes and the Secured Note Indenture up to the Plan Implementation Date.

"**Secured Noteholder Plan Payment**" has the meaning given in Section 4.2(a).

"**Secured Noteholder Settlement Payment**" has the meaning given in Section 4.2(a).

"**Secured Noteholders**" means, collectively, the beneficial owners of Secured Notes as of the Distribution Record Date and, as the context requires, the registered holders of Secured Notes as of the Distribution Record Date, and "**Secured Noteholder**" means any one of the Secured Noteholders.

"**Secured Notes**" means the aggregate principal amount of US$132,500,000 of 11.50% Senior Secured Notes Due 2017 issued pursuant to the Secured Note Indenture.

"**Securities Class Action Claims**" means, collectively, any and all rights or claims of any kind advanced or which may subsequently be advanced in the Securities Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Securities Class Action Class Members**" means all Persons, wherever they may reside or be domiciled, who acquired securities of The Cash Store Financial Services Inc. (including the Secured Notes) from November 24, 2010 through to February 13, 2014, inclusive, except the Excluded Persons.

"**Securities Class Action Defendants**" means the defendants in the Securities Class Actions.

"**Securities Class Action Fees**" means the reasonable fees and expenses (including taxes) of Siskinds LLP, Kirby McInerney LLP, Hoffner PLLC, Goodmans LLP and Paul Hastings LLP payable pursuant to the terms and conditions of the D&O/Insurer Global Settlement Agreement, as the same may be approved and awarded by the Class Action Court supervising the Ontario Securities Class Action.

"**Securities Class Action Plaintiffs**" means the plaintiffs in the Securities Class Actions.

"**Securities Class Actions**" means, collectively, the following proceedings: (i) *Fortier v. The Cash Store Financial Services, Inc. et al.*, Ontario Superior Court of Justice, Court File No. CV-13-481943-00CP; (ii) *Globis Capital Partners, L.P. v. The Cash Store Financial Services Inc. et al.*, Southern District of New York, Case 13 Civ. 3385 (VM); (iii) *Hughes v. The Cash Store Financial Services, Inc. et al.*, Alberta Court of Queen's Bench, Court File No. 1303 07837; and (iv) *Dessis v. The Cash Store Financial Services, Inc. et al.*, Quebec Superior Court, No: 200-06-000165-137.

"**Segregated Cash**" means the cash designated by the Monitor as "Ontario Restricted Cash" in the amount of $1,927,959 in respect of amounts that the Monitor reports were collected by the Applicants after February 12, 2014 and which may represent costs of borrowing.

"**Senior Secured Credit Agreement**" means the senior secured credit agreement dated November 29, 2013, by and between The Cash Store Financial Services Inc., as borrower, the entities listed as guarantors therein, Coliseum Capital Management, LLC as a Senior Secured Lender thereunder, 8028702 as a Senior Secured Lender thereunder, 424187 as a Senior Secured Lender thereunder, and 424187, as Agent thereunder.

"**Senior Secured Credit Agreement Claim**" means a claim by a Senior Secured Lender (or the Agent or other representative on the Senior Secured Lender's behalf) in respect of principal and Accrued Interest and any other amounts payable to such Senior Secured Lender pursuant to the Senior Secured Credit Agreement, and "**Senior Secured Credit Agreement Claims**" means all such claims collectively and in the aggregate.

"**Senior Secured Lenders**" means, collectively, Coliseum, 8028702 and 424187, in their capacities as lenders under the Senior Secured Credit Agreement, and "**Senior Secured Lender**" means any one of them in such capacity.

"**Service List**" means the service list for the CCAA Proceeding, as maintained by the Monitor and posted on the Website.

"**Settlement Approval Notices**" means the form of settlement approval notices to be issued in the Class Actions regarding the Settlements.

"**Settlement Payments**" means, collectively, the DirectCash Settlement Payment, the D&O/Insurer Settlement Payment and the Priority Motion Settlement Amount.

"**Settlements**" means, collectively, the Priority Motion Settlement, the DirectCash Settlement and the D&O/Insurer Global Settlement.

"**Siskinds**" means Siskinds LLP, solely in its capacity as representative counsel for the Securities Class Action Class Members, pursuant to the Representation and Notice Approval Order entered in the CCAA Proceedings on September 30, 2015.

"**Subsequent Cash On Hand**" means any and all available cash of the Applicants, whether held by the Applicants or the Monitor, after the Effective Time, whether received by the Applicants or the Monitor, as the case may be, in the form of Net Subsequent Litigation Proceeds, tax refunds, Remaining Segregated Cash, Undeliverable Distributions or otherwise, and excluding any amounts held in (and added to) the Monitor's Post-Implementation Reserve and the Litigation Funding and Indemnity Reserve, unless and until any such amounts are released from any of those reserves in accordance with Section 6.4(d) of this Plan.

"**Subsequent Distribution**" has the meaning given in Section 6.4(d).

"**Subsequent Distribution Date**" means the date on which any distribution of Subsequent Cash On Hand is made by the Monitor pursuant to Section 6.4(d).

"**tax**" or "**taxes**" means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all license, franchise and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

"**Tax Act**" means the *Income Tax Act* (Canada) and the *Income Tax Regulations*, in each case as amended from time to time.

"**Taxing Authorities**" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, any similar revenue or taxing authority of the United States or other foreign state and any political subdivision thereof, and any Canadian, United States or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation-making entity exercising taxing authority or power, and "**Taxing Authority**" means any one of the Taxing Authorities.

"**Third Party Lenders**" means, collectively, Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, Trimor Annuity Focus Limited Partnership #6, 367463 Alberta Ltd., 0678786 BC Ltd., Bridgeview Financial Corp., Inter-Pro Property Corporation (USA), Omni Ventures Ltd., FSC Abel Financial Inc., L-Gen Management Inc, Assistive Financial Corp., any other third party lender of the Applicants pursuant to a broker agreement or agreement analogous to a broker agreement, and any beneficial or entitlement holder of any of the foregoing, and "**Third Party Lender**" means any of them in such capacity.

"**TPL Charge**" has the meaning given in paragraph 30 of the Amended and Restated Initial Order.

"**Unaffected Claim**" means any and all Claims other than the Senior Secured Credit Agreement Claims, the Secured Noteholder Claims and the Released Claims, including without limitation:

(a) any Claim secured by any of the Charges; and

(d) any and all unsecured Claims.

"**Unaffected Creditor**" means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning given in Section 5.3.

"**U.S. Recognition Order**" has the meaning given in Section 5.9.

"**Website**" means the website maintained by the Monitor in respect of the CCAA Proceeding at the following web address: http://cfcanada.fticonsulting.com/cashstorefinancial/.

"**Western Canada Consumer Class Action Class Members**" means the class members in the Western Canada Consumer Class Actions.

"**Western Canada Consumer Class Action Claims**" means, collectively, any and Claims which may subsequently be advanced in the Western Canada Consumer Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise.

"**Western Canada Consumer Class Action Plaintiffs**" means, collectively, the plaintiffs in the Western Canada Consumer Class Actions.

"**Western Canada Consumer Class Actions**" means, collectively, the following class action proceedings: (i) *Stewart v. DirectCash Payments Inc. et al,* Supreme Court of British Columbia, Vancouver Reg. No. S154924, (ii) *Stewart v. The Cash Store Financial Services Inc. et al,* Supreme Court of British Columbia, Vancouver Reg. No. S126361, (iii) *Tschritter et al. v. The Cash Store Financial Services Inc. et al.* Alberta Court of Queen's Bench, Calgary Reg. No. 0301-16243, (iv) *Efthimiou v. The Cash Store Financial Services Inc. et al*, Alberta Court of Queen's Bench, Calgary Reg. No. 1201-118160, (v) *Meeking v The Cash Store Inc. et al,* Manitoba Court of Queen's Bench, Winnipeg Reg. No. C1110-01-66061, (vi) *Rehill v The Cash Store Financial Services Inc. et al.*, Manitoba Court of Queen's Bench, Winnipeg Reg. No. C112-01-80578 and (vii) *Ironbow v. The Cash Store Financial Services Inc. et al.*, Saskatoon Reg. No. 1453.

"**424187**" means 424187 Alberta Ltd.

"**424187 Senior Secured Credit Agreement Claim**" means the $2,000,000 loaned by 424187, as a Senior Secured Lender under the Senior Secured Credit Agreement, plus Accrued Interest.

"**8028702**" means 8028702 Canada Inc.

"**8028702 Plan Payment**" has the meaning given in Section 4.1(b).

"**8028702 Senior Secured Credit Agreement Claim**" means the $5,000,000 loaned by 8028702, as a Senior Secured Lender under the Senior Secured Credit Agreement, plus Accrued Interest and any other amounts payable to 8028702 pursuant to the Senior Secured Credit Agreement as of the Plan Implementation Date.

"**8028702 Settlement Payment**" has the meaning given in Section 4.1(b).

1.2 Certain Rules of Interpretation

For purposes of this Plan:

(a) any reference in the Plan to an Order, agreement, contract, instrument, indenture, release, exhibit or other document means such Order, agreement, contract, instrument, indenture, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;

(b) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;

(c) unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders;

(d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to" so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;

(f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and

(h) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto.

1.3 Currency

For the purposes of this Plan, unless otherwise stated herein, all amounts shall be denominated in Canadian dollars and all payments and distributions to be made in cash shall be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency shall be converted to Canadian dollars at the Reuters closing rate on the Filing Date, except as indicated in the Plan of Allocation.

1.4 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Plan.

1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the

interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the CCAA Court.

1.6 Schedules

The following schedules to this Plan are incorporated by reference into the Plan and form part of the Plan:

SCHEDULE A – Priority Motion Settlement Agreement (redacted)

SCHEDULE B – DirectCash Global Settlement Agreement

SCHEDULE C – D&O/Insurer Global Settlement Agreement

SCHEDULE D – Plan of Allocation for Securities Class Action Distributions to Securities Class Action Class Members

SCHEDULE E – Litigation Counsel Retainer (Contingency Fee Retainer Agreement for Litigation Counsel)

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan and the related Sanction Order and Class Action Settlement Approval Orders is to, among other things:

(a) effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Senior Secured Credit Agreement Claims;

(b) effect the distribution of the consideration provided for herein in respect of all Allowed Senior Secured Credit Agreement Claims;

(c) effect the cancellation of the Cancelled Senior Secured Credit Agreement Claim in connection with the D&O/Insurer Global Settlement;

(d) effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Secured Noteholder Claims;

(e) effect the distribution of the consideration provided for herein in respect of all Secured Noteholder Claims;

(f) effect the distribution of any Subsequent Cash on Hand that may be realized to the Secured Noteholders up to the Secured Noteholder Maximum Claim Amount;

(g) give effect to the Priority Motion Settlement and the distributions for the Senior Secured Lenders, the Secured Noteholders and the Consumer Class Action Class Members contemplated thereby;

(h) approve and give effect to the DirectCash Global Settlement, the DirectCash Global Settlement Release and the distributions for the Applicants (on behalf of the Secured Noteholders) and the Consumer Class Action Class Members contemplated thereby; and

(i) give effect to the D&O/Insurer Global Settlement, the D&O/Insurer Global Settlement Release and the distributions for the Applicants (on behalf of the Secured Noteholders), the Consumer Class Action Class Members and the Securities Class Action Class Members contemplated thereby.

2.2 Claims Affected

The Plan provides for, among other things, the full, final and irrevocable compromise, release, discharge, cancellation and bar of the Allowed Senior Secured Credit Agreement Claims, the Cancelled Senior Secured Credit Agreement Claims, the Secured Noteholder Claims and, together with the Sanction Order and the Class Action Settlement Approval Orders, give effect to the release of the Released Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date, and the Plan shall be binding on and enure to the benefit of the Applicants, the Senior Secured Lenders, the Secured Noteholders, any other Person having a Released Claim, the Released Parties and all other Persons named or referred to in, or subject to, the Plan, as and to the extent provided for or contemplated in the Plan.

2.3 Unaffected Claims against the Applicants Not Affected

Unaffected Claims are not affected by the Plan. Nothing in the Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3
CLASSIFICATION, VOTING AND RELATED MATTERS

3.1 Affected Creditor Claims

The validity and quantum of the Affected Creditor Claims has been established, for voting purposes, by the Meetings Order. The validity and quantum of the Affected Creditor Claims has been established, for distribution purposes, by this Plan and the Sanction Order.

3.2 Classification

The Affected Creditors shall constitute two classes, each an "**Affected Creditor Class**", for the purposes of considering and voting on the Plan. The Senior Secured Lenders shall vote in one Affected Creditor Class and the Secured Noteholders shall vote in the other Affected Creditor Class.

3.3 Unaffected Creditors

No Unaffected Creditor, in respect of an Unaffected Claim, shall:

(a) be entitled to vote on the Plan;

(b) be entitled to attend the Meeting; or

(c) receive any entitlements under this Plan in respect of such Unaffected Creditor's Unaffected Claims.

3.4 Creditors' Meeting

The Meetings shall be held in accordance with the Plan, the Meetings Order and any further Order of the CCAA Court. The only Persons entitled to attend and vote on the Plan at the Meetings are those specified in the Meetings Order.

3.5 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of each of the two Affected Creditor Classes.

ARTICLE 4
DISTRIBUTIONS, PAYMENTS AND TREATMENT OF CLAIMS

4.1 Treatment of Senior Secured Lenders

All Senior Secured Credit Agreement Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred, deemed satisfied and extinguished on the Plan Implementation Date. In accordance with the Priority Motion Settlement and the D&O/Insurer Global Settlement, the Senior Secured Lenders shall receive the following in respect of their respective Senior Secured Credit Agreement Claims on the Plan Implementation Date:

(a) **Coliseum** – In accordance with the Priority Motion Settlement, Coliseum shall be entitled to and shall receive payment in full of the Coliseum Senior Secured Credit Agreement Claim by the Applicants on the Plan Implementation Date, less (i) $250,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of Coliseum, to Harrison Pensa in trust in accordance with section 1(a) of the Priority Motion Settlement and (ii) $50,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of Coliseum, to Harrison Pensa in respect of the costs of Harrison Pensa in the CCAA Proceeding in accordance with section 5 of the Priority Motion Settlement ((i) and (ii) being the "**Coliseum Settlement Payment**", and the net total payment due to Coliseum after deduction of the Coliseum Settlement Payment being the "**Coliseum Plan Payment**").

(b) **8028702** – In accordance with the Priority Motion Settlement, 8028702 shall be entitled to and shall receive payment in full of the 8028702 Senior Secured Credit Agreement Claim by the Applicants on the Plan Implementation Date, less (i) $500,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of 8028702, to Harrison Pensa in trust in accordance with section 1(b)

of the Priority Motion Settlement and (ii) $50,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of 8028702, to Harrison Pensa in respect of the costs of Harrison Pensa in the CCAA Proceeding in accordance with section 5 of the Priority Motion Settlement ((i) and (ii) being the "**8028702 Settlement Payment**", and the net total payment due to 8028702 after deduction of the 8028702 Settlement Payment being the "**8028702 Plan Payment**").

(c) **424187** – In accordance with the D&O/Insurer Global Settlement, 424187 shall receive no payment on account of the 424187 Senior Secured Credit Agreement Claim, and the 424187 Senior Secured Credit Agreement Claim shall be cancelled and deemed to be cancelled as of the Plan Implementation Date for no consideration. Pursuant to Section 7.1 of the Plan, the D&O/Insurer Global Settlement Release shall be effective in respect of 424187 as of the Plan Implementation Date.

4.2 Treatment of Secured Noteholders

All Secured Noteholder Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred, deemed satisfied and extinguished as of the Plan Implementation Date. Each Secured Noteholder shall be entitled to receive the following in respect of its Secured Noteholder Claim in accordance with the Plan and the Settlements:

(a) such Secured Noteholder's Pro-Rata amount of the Net Cash On Hand to be distributed in accordance with Section 6.3(k) of the Plan, less (i) $700,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of the Secured Noteholders, to Harrison Pensa in trust in accordance with section 1(c) of the Priority Motion Settlement and (ii) $50,000 which shall be paid on the Plan Implementation Date by the Applicants, on behalf of the Secured Noteholders, to Harrison Pensa in respect of the costs of Harrison Pensa in the CCAA proceedings in accordance with section 5 of the Priority Motion Settlement ((i) and (ii) being the "**Secured Noteholder Settlement Payment**", and the net total payment due to the Secured Noteholders after deduction of the Secured Noteholder Settlement Payment being the "**Secured Noteholder Plan Payment**");

(b) such Secured Noteholder's Pro-Rata amount of any Subsequent Cash On Hand (including, without limitation, with respect to any Net Subsequent Litigation Proceeds for Secured Noteholders) to be distributed in accordance with Section 6.4 of the Plan;

(c) such Secured Noteholder's Pro-Rata share of the First DirectCash Estate Action Settlement Payment to be distributed in accordance with Section 6.3(m) of the Plan;

(d) such Secured Noteholder's Pro-Rata share of the D&O/Insurer Estate Action Settlement Amount to be distributed in accordance with Section 6.3(p) of the Plan; and

(e) as applicable in accordance with the terms of the Plan of Allocation, such Secured Noteholder's respective entitlement and portion (if any per the terms of the Plan of Allocation) of the Net D&O/Insurer Securities Class Action Settlement Proceeds for certain holders of Secured Notes to be distributed to the Securities Class Action Members in accordance with Section 4.4(a) of the Plan,

provided that, in the event that the aggregate of the foregoing amounts, excluding any amounts referenced in Section 4.2(e) exceed the Secured Noteholder Maximum Claim Amount, any and all such excess amount(s) shall revert to the Applicants for distribution in accordance with further Order of the CCAA Court on notice to the Service List.

4.3 Treatment of Consumer Class Action Class Members in respect of Priority Motion Settlement, DirectCash Global Settlement and D&O/Insurer Global Settlement

The Settlement Payments allocated to the Consumer Class Action Claims under the terms of the Priority Motion Settlement, the DirectCash Global Settlement and the D&O/Insurer Global Settlement shall be distributed as follows:

(a) Pursuant to the Priority Motion Settlement and the applicable Class Action Settlement Approval Orders:

(i) the Priority Motion Settlement Amount shall be paid to Harrison Pensa, in trust for the Consumer Class Action Class Members, in accordance with section 1 of the Priority Motion Settlement Agreement and Sections 6.3(f), 6.3(h) and 6.3(i) of the Plan, which amount shall be allocated among the Consumer Class Actions as follows: (i) $250,000 shall be allocated to the Ontario Consumer Class Action in respect of the settlement reached between the Ontario Consumer Class Action Plaintiff and the McCann Entities under, and in accordance with, section 1(b) of the Priority Motion Settlement; (ii) $150,000 shall be allocated Harrison Pensa in respect of its out-of-pocket expenses incurred in connection with the Priority Motion Settlement; and (iii) the remaining $1,050,000 of which shall be allocated 50% to the Ontario Consumer Class Action and 50% to the Western Canada Consumer Class Actions;

(ii) the Segregated Cash shall be distributed among the Consumer Class Actions as and to the extent set forth in the section 3 of the Priority Motion Settlement Agreement;

(iii) the Priority Motion Costs Amount shall be paid to Harrison Pensa in accordance with section 5 of the Priority Motion Settlement Agreement and Sections 6.3(f), 6.3(h) and 6.3(i) of the Plan; and

(iv) 10% of any Net Subsequent Litigation Proceeds realized in respect of the Remaining Estate Actions against KPMG LLP and Canaccord Genuity Inc. (and only KPMG LLP and Canaccord Genuity Inc.) shall be paid to Harrison Pensa, in trust for the Consumer Class Action Class Members up to an aggregate amount of $3,000,000, and, thereafter, 5% of any such Net Subsequent Litigation Proceeds shall be paid to Harrison Pensa, in trust for the Consumer Class Action Class Members (collectively, the "**Net Subsequent Litigation Proceeds for Consumer Class Action Class Members**"), in accordance with section 4 of the Priority Settlement Agreement and Section 6.4(e) of the Plan, with (i) 50% of any such amounts to be allocated to the Ontario Consumer Class Actions and (ii) 50% of any such amounts to be allocated to the Western Canada Consumer Class Actions, and with any further allocations and distributions in respect of these amounts within the Ontario Consumer Class Actions and the Western Canada Consumer Class Actions to be determined by further Order(s) of the applicable Class Action Courts,

provided that, in the event that any of the amounts paid in respect of the Consumer Class Actions pursuant to Sections 4.3(a)(i), 4.3(a)(ii) and 4.3(a)(iv) of this Plan are undistributed at the conclusion of the respective settlement distribution processes approved in the applicable Consumer Class Actions, the parties will appear before the CCAA Court, as set forth in section 15 of the Priority Motion Settlement Agreement, to determine the appropriate further distribution of any such amounts.

(b) Pursuant to the DirectCash Global Settlement and the applicable Class Action Settlement Approval Orders:

(i) the DirectCash Ontario Consumer Class Action Settlement Amount shall be paid to Harrison Pensa, in trust for the Ontario Consumer Class Action Class Members, in accordance with section 5(b) of the DirectCash Global Settlement Agreement and Section 6.3(n) of the Plan, with such amounts to be allocated and distributed in the Ontario Consumer Class Action in accordance with Order(s) to be entered by the supervising Class Action Court for the Ontario Consumer Class Action; and

(ii) the DirectCash Western Canada Consumer Class Action Settlement Amount shall be paid to Bennett Mounteer, in trust for the Western Canada Consumer Class Action Class Members, in accordance with section 5(c) of the DirectCash Global Settlement Agreement and Sections 6.3(o) and 6.4(a) of the Plan, with such amounts to be allocated and distributed in the Western Canada Consumer Class Actions in accordance with Order(s) to be entered by the supervising Class Action Court(s) for the Western Canada Consumer Class Actions.

(c) Pursuant to the D&O/Insurer Global Settlement and the applicable Class Action Settlement Approval Orders:

(i) the D&O/Insurer Ontario Consumer Class Action Settlement Amount shall be paid to Harrison Pensa, in trust for the Ontario Consumer Class Action Class Members, in accordance with section 39(d) of the D&O/Insurer Global Settlement Agreement and Section 6.3(r) of the Plan, with such amounts to be allocated and distributed in the Ontario Consumer Class Action in accordance with Order(s) to be entered by the supervising Class Action Court for the Ontario Consumer Class Action; and

(ii) the D&O/Insurer Western Canada Consumer Class Action Settlement Amount shall be paid to Bennett Mounteer, in trust for the Western Canada Consumer Class Action Class Members, in accordance with section 39(e) of the D&O/Insurer Global Settlement Agreement and Section 6.3(s) of the Plan, with such amounts to be allocated and distributed in the Western Canada Consumer Class Actions in accordance with Order(s) to be entered by the supervising Class Action Court(s) for the Western Canada Consumer Class Actions.

4.4 Treatment of Securities Class Action Class Members in respect of D&O/Insurer Global Settlement

(a) Pursuant to the D&O/Insurer Global Settlement and the applicable Class Action Settlement Approval Orders, the D&O/Insurer Securities Class Action Settlement Amount will be paid to Siskinds, in trust for the Securities Class Action Class Members, in accordance with sections 39(a) and 39(b) of the D&O/Insurer Global Settlement Agreement and Section 6.3(q) of the Plan, with such amounts to be allocated and distributed in accordance with Order(s) to be entered by the Class Action Court supervising the Ontario Securities Class Action, and substantially in accordance with the Plan of Allocation appended hereto as Schedule D.

ARTICLE 5
DISTRIBUTION MECHANICS

5.1 Distribution Mechanics with respect to Plan Payments to Senior Secured Lenders

On the Plan Implementation Date, the Applicants shall pay:

(i) the Coliseum Plan Payment to Coliseum by way of wire transfer (in accordance with wire transfer instructions to be provided by Coliseum to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date); and

(ii) the 8028702 Plan Payment to 8028702 by way of wire transfer (in accordance with wire transfer instructions to be provided by 8028702 to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date).

5.2 Distribution Mechanics with respect to Plan Payments to Secured Noteholders

(a) On the Plan Implementation Date, and on any Subsequent Distribution Date, the Applicants shall pay any amounts payable under this Plan in respect of the Secured Notes and to the Secured Noteholders by way of wire transfer to the Indenture Trustee (in accordance with wire transfer instructions to be provided by the Indenture Trustee to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date) for distribution by the Indenture Trustee to the Secured Noteholders in respect of the Secured Notes. Any distribution under this Plan on account of the Secured Notes and the Secured Noteholders shall be deemed made when delivered to the Indenture Trustee for distribution to the Secured Noteholders in accordance with this Section 5.2. Upon receipt by the Indenture Trustee of any such wire transfer, the Indenture Trustee shall promptly remit the amounts received (i) to the Depository for distribution to each Beneficial Noteholder of such Beneficial Noteholders' Pro-Rata Amount as of the Distribution Record Date in accordance with the policies, rules and regulations of the Depository, and (ii) directly to each such other registered holder of physical Secured Notes reflected on the Indenture Trustee's register as of the Distribution Record Date, in such registered Secured Noteholder's Pro-Rata Amount.

(b) Distributions of any Subsequent Cash on Hand on any Subsequent Distribution Date to the Secured Noteholders in respect of the Secured Notes shall be made in accordance with the procedures provided in Section 5.2(a).

(c) Notwithstanding the foregoing, and for greater certainty, the Net D&O/Insurer Securities Class Action Settlement Proceeds for Certain Holders of Secured Notes shall not be distributed pursuant to Section 5.2(a) of this Plan on the Plan Implementation Date, but rather any such amounts shall be distributed pursuant to the Plan of Allocation, substantially in the form appended hereto as Schedule D, to be approved by the Class Action Court supervising the Ontario Securities Class Action, as set forth in Section 4.4 of this Plan.

5.3 Treatment of Undeliverable Distributions

If any distributions to Affected Creditors made under this Plan is undeliverable (that is, for greater certainty, that it cannot be properly registered or delivered to the applicable Person because of inadequate or incorrect registration or delivery information or otherwise) (an "**Undeliverable Distribution**"), it shall be delivered to the Monitor, which shall hold such Undeliverable Distribution in escrow and administer it in accordance with this Section 5.3. No further distributions in respect of an Undeliverable Distribution shall be made unless and until the Monitor is notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Monitor shall make all such Undeliverable Distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six months following the applicable distribution date, after which date the right to receive distributions under this Plan in respect of such Undeliverable Distributions shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred,

deemed satisfied and extinguished without any compensation therefore, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions held by the Monitor shall be deemed to have been gifted by the owner of the Undeliverable Distribution to the Secured Noteholders or the other Secured Noteholders on a Pro-Rata basis, as applicable, without consideration, and for distribution to such Secured Noteholders in accordance with Section 5.2. Nothing contained in the Plan shall require the Applicants, the Monitor or any other Person to attempt to locate any owner of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Notwithstanding anything to the contrary in this Section 5.3, the Indenture Trustee shall have no obligation to deliver to the Monitor any Undeliverable Distribution made by the Depository to any Beneficial Noteholder, participant or nominee thereof.

5.4 Tax Refunds

Any input tax credits or tax refunds received by or on behalf of the Applicants after the Effective Time shall form part of the Subsequent Cash on Hand for distribution in accordance with Section 6.4(d) of this Plan.

5.5 Other Payments and Distributions

All other payments and distributions to be made pursuant to this Plan and the Class Action Settlement Approval Orders shall be made in the manner described in this Plan, the Sanction Order or any other Order, as applicable.

5.6 Note Indenture to Remain in Effect Solely for Purpose of Subsequent Distributions to Secured Noteholders

Following completion of the steps in the sequence set forth in Section 6.3, all debentures, indentures (including the Secured Note Indenture), notes (including the Secured Notes), certificates, agreements, invoices and other instruments evidencing Affected Creditor Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Following completion of the steps in the sequence set forth in Section 6.3, any and all obligations of the Applicants under and with respect to the DIP Credit Facility, the Senior Secured Credit Agreement Claims, the Senior Secured Credit Agreement, the Secured Noteholder Claims, the Secured Notes, the Secured Note Indenture and any guarantees or indemnities with respect to any of the foregoing shall be terminated and cancelled. Notwithstanding the foregoing and anything to the contrary in the Plan, the Secured Note Indenture shall remain in effect solely for the purpose of and only to the extent necessary to allow the Indenture Trustee to make distributions to Secured Noteholders on any Subsequent Distribution Date, and to maintain all of the rights and protections afforded to the Indenture Trustee as against the Secured Noteholders under the Secured Note Indenture, including without limitation (i) the Indenture Trustee's lien rights with respect to any distributions under this Plan and (ii) to enforce any rights of the of the Indenture Trustee and the Secured Noteholders under this Plan, the Sanction Order and any appeals, until all distributions provided for hereunder have been made to the Secured Noteholders. The obligations of the Indenture Trustee under or in respect of this Plan shall be solely as expressly set out herein. Without limiting the generality of the releases, injunctions and other protections afforded to the

Indenture Trustee under this Plan and the Secured Note Indenture, the Indenture Trustee shall have no liability whatsoever to any Person resulting from the due performance of its obligations hereunder, except if the Indenture Trustee is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence or wilful misconduct in respect of such matter. At such time as the Indenture Trustee has completed performance of all of its duties set forth in the Plan, the Indenture Trustee shall be relieved of all obligations under the Secured Note Indenture and any related agreements and other instruments that are otherwise terminated and cancelled hereunder on the Plan Implementation Date.

5.7 Assignment of Claims for Distribution Purposes

Except with respect to Settlement Payments, only those Secured Noteholders who have beneficial ownership of one or more Secured Notes as at the Distribution Record Date shall be entitled to receive a distribution under this Plan. Secured Noteholders who have beneficial ownership of Secured Notes shall not be restricted from transferring or assigning such Secured Notes prior to or after the Distribution Record Date (unless the Distribution Record Date is the Plan Implementation Date), provided that if such transfer or assignment occurs after the Distribution Record Date, neither the Applicants, the Monitor, nor the Indenture Trustee shall have any obligation to make distributions to any such transferee or assignee of Secured Notes in respect of the Secured Noteholder Claim associated therewith, or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof. Secured Noteholders who assign or acquire Secured Notes after the Distribution Record Date shall be wholly responsible for ensuring that Plan distributions in respect of the Secured Noteholder Claims associated with such Secured Notes are in fact delivered to the assignee, and the Applicants, the Monitor and the Indenture Trustee shall each have no liability in connection therewith.

5.8 Withholding Rights

The Applicants, the Monitor and the Indenture Trustee and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign tax laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. Each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for satisfaction and payments of any taxes imposed by a Taxing Authority. Notwithstanding the foregoing, the Senior Secured Credit Agreement (including section 3 thereof regarding Foreign Taxes) shall govern the rights and obligations of the Applicants with respect to withholdings and deductions on payments to the holders of Allowed Senior Secured Credit Agreement Claims.

5.9 Foreign Recognition

As promptly as practicable following the Sanction Date, the Monitor shall commence an ancillary proceeding to the CCAA Proceeding under chapter 15 of the United States Bankruptcy Code in a court of competent jurisdiction in the United States requesting recognition of the CCAA Proceeding and requesting recognition and enforcement in the United States of the Plan and the Sanction Order as they relate to the D&O/Insurer Global Settlement and confirming that the Plan and the Sanction Order as they relate to the D&O/Insurer Global Settlement are binding and effective in the United States, and the Monitor shall use its reasonable best efforts to obtain such recognition order (the "**U.S. Recognition Order**").

5.10 Further Direction of the Court

The Applicants, the Monitor and the Ad Hoc Committee shall each be entitled, following consultation with the other, to seek further direction of the CCAA Court on notice to all interested parties, including a plan implementation order, with respect to any matter relating to the implementation of this Plan, including with respect to the distribution mechanics and restructuring transactions as set out in this Plan.

ARTICLE 6
PLAN IMPLEMENTATION

6.1 Corporate and Other Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate or other action of the Applicants will occur and be effective as of the Plan Implementation Date in the sequence set out in this Article 6, and will be authorized and approved under the Plan and by the CCAA Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by the shareholders of any of the Applicants, the CRO or any of the D&Os. All necessary approvals to take actions, if required, shall be deemed to have been obtained from the CRO, the D&Os or the shareholders of the relevant Applicants, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the taking of any such steps or actions contemplated by the Plan shall be effective and shall be deemed to have no force or effect.

6.2 Pre-Plan Implementation Date Transactions

Following consultation with the Plan Settlement Parties, the Monitor shall determine the Anticipated Plan Implementation Date and communicate that date to counsel for the Plan Settlement Parties, the DIP Lenders and the Senior Secured Lenders (together with wire transfer instructions for the Monitor's Distribution Account to be provided to counsel to DirectCash and counsel to the Insurers) and the Indenture Trustee. Within five (5) Business Days of the Anticipated Plan Implementation Date (which shall not be sooner than November 15, 2015):

(a) DirectCash shall pay $10,000,000 of the amount due under the DirectCash Global Settlement Agreement to the Monitor by way of wire transfer (in accordance with

the wire transfer instructions provided by the Monitor to DirectCash) to be held in trust by the Monitor in the Monitor's Distribution Account (which amount, together with the $2,000,000 paid by DirectCash to the Monitor pursuant to section 5 of the DirectCash Global Settlement Agreement constitutes the "**Initial DirectCash Settlement Payment**"); and

(b) the Insurers shall pay the D&O/Insurer Settlement Payment to the Monitor by way of wire transfer (in accordance with wire transfer instructions provided by the Monitor to the Insurers) to be held in trust by the Monitor in the Monitor's Distribution Account.

6.3 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected shall be carried out by the Applicants and the Monitor, as the case may be, and otherwise shall be deemed to have occurred, in the following manner and order (without any further act or formality, as applicable) on the Plan Implementation Date following the satisfaction of the conditions precedent set out in Section 9.1:

Cash Payments

(a) The Applicants shall pay from Cash On Hand to the Monitor by way of wire transfer (in accordance with wire transfer instructions to be provided by the Monitor to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date) the amount required to fund the Monitor's Post-Implementation Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of administering the CCAA Proceeding, the Plan and any remaining business and affairs of the Applicants, as necessary, from and after the Plan Implementation Date.

(b) The Applicants shall pay the Expense Reimbursement by way of wire transfers from Cash On Hand (in accordance with invoices and wire transfer instructions provided by the relevant professionals at least five (5) Business Days in advance of the Anticipated Plan Implementation Date, which invoices may include a reasonable estimate of work to be performed up the Plan Implementation Date), provided that (i) the Applicants may pay all or a portion of any such invoices by first applying any monetary retainers by any applicable professional covered under the Expense Reimbursement and then by paying any remaining balance by way of wire transfer from the Cash On Hand.

(c) If requested by the Monitor prior to the Plan Implementation Date, any Person with a monetary retainer from the Applicants that remains outstanding following the steps and payment of all fees and expenses set out in Section 6.3(b) shall pay to the Applicants in cash the full amount of such remaining retainer, less any amount permitted by the Monitor (after prior discussion with the applicable Person and the Ad Hoc Committee as to any remaining work that may reasonably be required) to remain as a continuing monetary retainer in connection with

completion of any remaining work after the Plan Implementation Date that may be required by the Plan or that may be requested by the Monitor or the Ad Hoc Committee (each such continuing monetary retainer being a "**Permitted Continuing Retainer**"). Such Persons shall have no duty or obligation to perform any such further work or tasks unless such Persons are satisfied that they are holding adequate retainers or other security or have received payment to compensate them for all fees and expenses in respect of such work or tasks.

(d) The Applicants shall pay the DIP Repayment Amount from Cash On Hand by way of wire transfers to the applicable DIP Lenders (in accordance with wire transfer instructions to be provided by the applicable DIP Lenders to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date).

(e) The Applicants shall pay the Coliseum Plan Payment from Cash On Hand by way of wire transfer to Coliseum (in accordance with wire transfer instructions to be provided by Coliseum to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date).

(f) The Applicants shall pay the Coliseum Settlement Payment (equal to $300,000), on behalf of Coliseum, from Cash On Hand, by way of wire transfer to Harrison Pensa (in accordance with wire transfer instructions to be provided by Harrison Pensa to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), (i) $250,000 of which shall be held in trust by Harrison Pensa for the Consumer Class Action Class Members (and allocated among the Ontario Consumer Class Action and the Western Canada Class Action set forth in Section 4.3(a)(i) of this Plan) and (ii) $50,000 of which shall be shall be paid to Harrison Pensa in respect of the Priority Motion Costs Amount.

(g) The Applicants shall pay the 8028702 Plan Payment from Cash On Hand by way of wire transfer to 8028702 (in accordance with wire transfer instructions to be provided by 8028702 to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date).

(h) The Applicants shall pay the 8028702 Settlement Payment (equal to $550,000), on behalf of 8028702, from Cash On Hand by way of wire transfer to Harrison Pensa (in accordance with wire transfer instructions to be provided by 8028702 to the Harrison Pensa at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), (i) $500,000 of which shall be held in trust by Harrison Pensa for the Consumer Class Action Class Members (and allocated among the Ontario Consumer Class Action and the Western Canada Class Action set forth in Section 4.3(a)(i) of this Plan) and (ii) $50,000 of which shall be paid to Harrison Pensa in respect of the Priority Motion Costs Amount.

(i) The Applicants shall pay the Secured Noteholder Settlement Payment (equal to $750,000), on behalf of the Secured Noteholders, from Cash On Hand, by way of

wire transfer to Harrison Pensa (in accordance with wire transfer instructions to be provided by Harrison Pensa to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), (i) $700,000 of which shall be held in trust by Harrison Pensa for the Consumer Class Action Class Members (and allocated among the Ontario Consumer Class Action and the Western Canada Class Action set forth in Section 4.3(a)(i) of this Plan) and (ii) $50,000 of which shall be shall be paid to Harrison Pensa in respect of the Priority Motion Costs Amount.

(j) The Applicants shall pay, on behalf the Secured Noteholders, from Cash On Hand to the Monitor by way of wire transfer (in accordance with wire transfer instructions to be provided by the Monitor to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date) the amount required to fund the Litigation Funding and Indemnity Reserve, which cash reserve shall be (i) maintained and administered by the Monitor in connection with the prosecution of the Remaining Estate Actions in accordance with the Litigation Funding Indemnity Reserve Agreement and (ii) otherwise held in trust for the Secured Noteholders and contributed to Subsequent Cash on Hand to be distributed in accordance with Section 6.4(d) of this Plan.

(k) The Applicants shall pay the Secured Noteholder Plan Payment from Net Cash On Hand by way of wire transfer to the Indenture Trustee (in accordance with wire transfer instructions to be provided by the Indenture Trustee to the Applicants at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), for distribution to the Secured Noteholders.

(l) The Monitor, on behalf of the Applicants, shall pay $749,250 by way of wire transfer to the Litigation Counsel (in accordance with wire transfer instructions to be provided by the Litigation Counsel to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date) from the Initial DirectCash Settlement Payment held in the Monitor's Distribution Account.

(m) The Monitor, on behalf of the Applicants, shall pay the First DirectCash Estate Action Settlement Payment (equal to $2,975,750) by way of wire transfer to the Indenture Trustee (in accordance with wire transfer instructions to be provided by the Indenture Trustee to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), for distribution to the Secured Noteholders, from the Initial Direct Cash Settlement Payment held in the Monitor's Distribution Account.

(n) The Monitor shall pay the First DirectCash Ontario Consumer Class Action Settlement Payment (equal to $5,087,500) by way of wire transfer to Harrison Pensa (in accordance with wire transfer instructions to be provided by Harrison Pensa to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), in trust for the Ontario Consumer Class Action Class Members, from the Initial Direct Cash Settlement Payment held in the Monitor's Distribution Account.

(o) The Monitor shall pay the First DirectCash Western Canada Consumer Class Action Settlement Payment (equal to $3,187,500) by way of wire transfer to Bennett Mounteer (in accordance with wire transfer instructions to be provided by Bennett Mounteer to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), in trust for the Western Canada Consumer Class Action Class Members, from the Initial Direct Cash Settlement Payment held in the Monitor's Distribution Account.

(p) The Monitor shall pay the D&O/Insurer Estate Action Settlement Amount (equal to $2,750,000) by way of wire transfer to the Indenture Trustee (in accordance with wire transfer instructions to be provided by the Indenture Trustee to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), for distribution to the Secured Noteholders, from the D&O/Insurer Settlement Payment held in the Monitor's Distribution Account.

(q) The Monitor shall pay the D&O/Insurer Securities Class Action Settlement Amount (equal to $13,779,167) by way of wire transfer to Siskinds (in accordance with wire transfer instructions to be provided by Siskinds to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), in trust for the Securities Class Action Class Members, from the D&O/Insurer Settlement Payment held in the Monitor's Distribution Account.

(r) The Monitor shall pay the D&O/Insurer Ontario Consumer Class Action Settlement Amount (equal to $1,437,500) by way of wire transfer to Harrison Pensa (in accordance with wire transfer instructions to be provided by Harrison Pensa to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), in trust for the Ontario Consumer Class Action Class Members, from the D&O/Insurer Settlement Payment held in the Monitor's Distribution Account.

(s) The Monitor shall pay the D&O/Insurer Western Canada Consumer Class Action Settlement Amount (equal to $1,066,666) by way of wire transfer to Bennett Mounteer (in accordance with wire transfer instructions to be provided by Bennett Mounteer to the Monitor at least five (5) Business Days in advance of the Anticipated Plan Implementation Date), in trust for the Western Canada Consumer Class Action Class Members, from the D&O/Insurer Settlement Payment held in the Monitor's Distribution Account.

(t) The Monitor shall transfer any amounts remaining in the Monitor's Distribution Account after payment of the Settlement Payments, on account of interest accrued thereon, to the Monitor's Post-Implementation Reserve.

Extinguishment of Affected Claims

(u) Subject to Section 5.6, on the Plan Implementation Date, all accrued and unpaid principal, interest (including Accrued Interest) owing on, or in respect of, or as part of, any Affected Creditor Claims shall be fully, finally, irrevocably and

forever compromised, released, discharged, cancelled, barred, deemed satisfied and extinguished for no further consideration, and from and after the occurrence of this step, no Person shall have any entitlement to any such amounts, other than as expressly provided for in this Plan.

Cancellation of Instruments and Guarantees

(v) Subject to Section 5.6, on the Plan Implementation Date, all debentures, indentures, notes, certificates, agreements, invoices, guarantees, pledges and other instruments evidencing Affected Creditor Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in this Plan and shall be cancelled and will thereupon be null and void. The Agent and the Indenture Trustee shall be directed by the CCAA Court and shall be deemed to have released, discharged and cancelled any guarantees, indemnities, encumbrances or other obligations owing by or in respect of the Senior Secured Credit Agreement, the Senior Secured Credit Agreement Loans, the Secured Note Indenture and the Secured Notes, respectively, upon the indefeasible payment of all consideration due and owing under and accordance with this Plan.

Releases

(w) Each of the Charges shall be discharged, released and cancelled.

(x) The releases and injunctions referred to in Article 7 of the Plan shall become effective in accordance with the Plan, the Sanction Order and the Class Action Settlement Approval Orders.

6.4 Post Plan Implementation Date Transactions

(a) On or before May 1, 2016, DirectCash shall pay the remaining $2,500,000 due under the DirectCash Global Settlement Agreement (the "**Final DirectCash Settlement Payment**") to the Monitor by way of wire transfer (in accordance with the wire transfer instructions provided by the Monitor to DirectCash) to be held in trust by the Monitor in the Monitor's Distribution Account.

(b) Promptly upon receipt of the Final DirectCash Settlement Payment, the Monitor shall pay:

(i) subject to Section 6.4(f), the Second DirectCash Estate Action Settlement Payment (equal to $775,000) by way of wire transfer to the Indenture Trustee (in accordance with the wire transfer instructions provided by the Indenture Trustee to the Monitor in advance of the Plan Implementation Date), for distribution to the Secured Noteholders, from the Final Direct Cash Settlement Payment held in the Monitor's Distribution Account;

(ii) the Second DirectCash Ontario Consumer Class Action Settlement Payment (equal to $1,062,500) by way of wire transfer to Harrison Pensa (in accordance with the wire transfer instructions provided by Harrison

Pensa to the Monitor in advance of the Plan Implementation Date), in trust for the Ontario Consumer Class Action Class Members, from the Final Direct Cash Settlement Payment held in the Monitor's Distribution Account; and

(iii) the Second DirectCash Western Canada Consumer Class Action Settlement Payment (equal to $662,500) by way of wire transfer to Bennett Mounteer (in accordance with the wire transfer instructions provided by Bennett Mounteer to the Monitor in advance of the Plan Implementation Date), in trust for the Western Canada Consumer Class Action Class Members, from the Final Direct Cash Settlement Payment held in the Monitor's Distribution Account;

(c) If applicable, the Monitor shall distribute the Segregated Cash among the Consumer Class Actions in accordance with section 3 of the Priority Motion Settlement at such time as the Monitor shall determine, in its sole discretion, that the conditions precedent to the payment of the Segregated Cash have been satisfied.

(d) Subject to Section 6.4(e), at any time after the Plan Implementation Date, the Monitor, on behalf of the Applicants, may, with the consent of the Ad Hoc Committee and at the request of the Ad Hoc Committee, make a distribution to the Secured Noteholders of any Subsequent Cash on Hand, and shall make such a distribution whenever the Subsequent Cash On Hand exceeds $5,000,000 (any such distribution, being a "**Subsequent Distribution**"). All Subsequent Distributions up to the Secured Noteholder Maximum Claim Amount shall be made by the Monitor, on behalf of the Applicants, from Subsequent Cash On Hand by way of wire transfer to the Indenture Trustee (in accordance with the wire transfer instructions provided by the Indenture Trustee to the Monitor in advance of the Plan Implementation Date). The Monitor shall provide the Indenture Trustee with written notice of a Subsequent Distribution no less than two (2) Business Days prior to effectuating any wire transfer to the Indenture Trustee. Any Subsequent Cash On Hand in excess of the Secured Noteholder Maximum Claim Amount shall be distributed in accordance with further Order of the CCAA Court on notice to the Service List. With the consent of the Ad Hoc Committee, the Monitor shall be permitted to use some or all of any Subsequent Cash on Hand payable to the Secured Noteholders to supplement the Monitor's Post-Implementation Reserve or the Litigation Funding and Indemnity Reserve. With the consent of the Ad Hoc Committee, the Monitor shall be permitted to treat and apply some of all of any funds in the Monitor's Post-Implementation Reserve as Subsequent Cash On Hand.

(e) In the event that any Net Subsequent Litigation Proceeds for Consumer Class Action Class Members are realized, the Monitor, on behalf of the Applicants, shall forthwith pay such amounts to Harrison Pensa (in accordance with the wire transfer instructions provided by Harrison Pensa to the Monitor in advance of the

Anticipated Plan Implementation Date), in trust for the Consumer Class Action Class Members in accordance with Section 4.3(a)(iv) of the Plan.

(f) On or prior to receipt of the Final DirectCash Settlement Payment by the Monitor pursuant to Section 6.4(a), the Ad Hoc Committee may determine, in its sole discretion, after consultation with the Litigation Trustee, the Litigation Counsel and the Monitor, to direct the Second DirectCash Estate Action Settlement Payment (equal to $775,000) to the Litigation Funding and Indemnity Reserve for use in connection with the prosecution of the Remaining Estate Actions, and to be governed by the Litigation Funding and Indemnity Reserve Agreement.

6.5 Monitor's Role

In connection with its role holding funds and making or facilitating payments and distributions contemplated by the Plan:

(a) the Monitor is solely doing so as payment agent for the Applicants and neither the Monitor nor FTI Consulting Canada Inc. has agreed to become, and neither is assuming any responsibility as a receiver, assignee, curator, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of any of the Applicants within the meaning of any relevant tax legislation;

(b) neither the Monitor nor FTI Consulting Canada Inc. will have any liability for, and each is hereby released from, any claim in respect of any act or omission in respect of the payments and distributions contemplated by the Plan;

(c) the Monitor will be provided with and is entitled to have access to all of the books and records of the Applicants and to all documents and other information of the Applicants required by it from time to time, whether in the possession of the Applicants or a third party, in connection with its role hereunder;

(d) the Monitor will not exercise discretion over the funds to be paid or distributed hereunder and will only make payments contemplated by the Plan; and

(e) the Monitor may discuss from time to time all matters relating to matters hereunder with the Ad Hoc Committee.

ARTICLE 7
RELEASES

7.1 Plan Releases

Subject to 7.2 hereof, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished on the Plan Implementation Date pursuant to the Plan, the Sanction Order and the Class Action Settlement Approval Orders:

(a) all Senior Secured Credit Agreement Claims;

(b) all Secured Noteholder Claims;

(c) all Class Action Claims against the Applicants and the D&Os;

(d) all Claims that have been or could be asserted against the Applicants and the D&Os in the Class Actions and the Priority Motion;

(e) all DirectCash Claims;

(f) all D&O Claims against the D&Os other than the Remaining Defendant Claims;

(g) all Claims against the Applicants by any of the Released Parties, except as set out in Schedule C of the D&O/Insurer Global Settlement Agreement;

(h) all Claims against the Applicants (or any of them) by the Alberta Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value, payable by the Applicants (or any of them);

(i) all Claims against the Senior Secured Lenders, solely in their capacity as Senior Secured Lenders;

(j) all Claims against the Agent, solely in its capacity as the Agent;

(k) all Claims against the Indenture Trustee, solely in its capacities as Indenture Trustee and Collateral Agent;

(l) all Claims against the Monitor and its legal advisors;

(m) all Claims against the CRO, against its legal advisors and against Mr. William Aziz personally, including in respect of compliance with any Orders of the Alberta Securities Commission;

(n) all Claims against the Plan Settlement Parties and their legal and financial advisors in connection with this Plan and the transactions and settlements to be consummated hereunder and in connection herewith;

(o) all Coliseum Claims against Coliseum; and

(p) all McCann Entity Claims against the McCann entities.

7.2 Claims Not Released

Notwithstanding anything to the contrary in Section 7.1, nothing in this Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

(a) the Applicants from or in respect of any Unaffected Claims;

(b) any of the Plan Settlement Parties from their respective obligations under the Plan, the Sanction Order, the Settlement Agreements or the Class Action Settlement Approval Orders;

(c) the Applicants of or from any investigations by or non-monetary remedies of the Alberta Securities Commission or any other Governmental Entity;

(d) the Insurers or any of the Applicants' other insurers from their remaining obligations (if any) under the Insurance Policies;

(e) any of the Released Parties from any Non-Released Claims;

(f) subject to Section 7.6, any of the Remaining Defendants from any of the Remaining Estate Actions;

(g) the right of the Secured Noteholders to receive any further, additional distributions pursuant to the terms of this Plan (including, without limitation, from any Subsequent Cash On Hand as contemplated by Section 6.4(d) of this Plan); and

(h) the Remaining Defendant Claims.

7.3 Injunctions

Subject to sections 7.5 and 7.6, all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

7.4 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 7 shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in Article 6.

7.5 Remaining Estate Actions Against the Remaining Defendants

Subject only to Section 7.6 and Article 10, and notwithstanding anything else to the contrary in this Plan, any Remaining Estate Actions against the Remaining Defendants: (a) are unaffected by this Plan; (b) are not discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Remaining Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise; and (e) do not constitute an Affected Creditor Claim under this Plan.

Notwithstanding anything else to the contrary in this Plan, nothing in this Plan precludes the Remaining Defendants from asserting: (a) claims for set off against the Applicants for amounts owed to them in response to the Remaining Estate Actions; (b) counterclaims against the Applicants in response to the Remaining Estate Actions; (c) Remaining Defendant Claims; (d) third party claims against any Person who might reasonably be expected to make a claim for contribution or indemnity, or any other relief, against a Released Party, provided that such Person remains subject to the third party release and bar order contained in the Sanction Order and the *Pierringer* provision in section 7.6 herein; or (e) claims for legal costs against the Applicants in respect of their defences of the Remaining Estate Actions, provided that the validity, effect and priority of any such claims will be determined by the CCAA Court.

7.6 *Pierringer* Provision

Notwithstanding anything to the contrary herein, following the Plan Implementation Date, no Person (including, without limitation, the Applicants in the Remaining Estate Actions and any plaintiffs in the class actions) shall be permitted to claim from any other Person that portion of any damages that corresponds to the liability of a Released Party, proven at trial or otherwise.

ARTICLE 8
COURT SANCTION

8.1 Application for Sanction Order and Class Action Settlement Approval Orders

If the Plan is approved by the Required Majority of each Affected Creditor Class, the Applicants shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the CCAA Court may set. The representative counsel for the applicable Class Actions shall contemporaneously apply to the Class Action Courts for approval of the Class Action Settlement Approval Orders.

8.2 Sanction Order

The Sanction Order shall, among other things:

(a) declare that: (i) the Plan has been approved by the Required Majority of each Affected Creditor Class in conformity with the CCAA; (ii) the activities of the Applicants have been in reasonable compliance with the provisions of the CCAA and the Orders of the CCAA Court made in this CCAA Proceeding in all respects; (iii) the CCAA Court is satisfied that the Applicants have not done or purported to

do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions and settlements contemplated thereby are fair and reasonable;

(b) declare that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and settlements effected thereby are approved, binding and shall become effective in accordance with the terms and conditions set forth in the Plan;

(c) confirm the amount of each of the Monitor's Post-Implementation Reserve and the Litigation Funding and Indemnity Reserve;

(d) declare that, on the Plan Implementation Date, all Affected Creditor Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred, deemed satisfied and extinguished, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan;

(e) declare that, on the Plan Implementation Date, the 424187 Senior Secured Credit Agreement Claim shall be cancelled and deemed to be cancelled as of the Plan Implementation Date for no consideration, in accordance with the terms of the D&O/Insurer Global Settlement and the Plan;

(f) declare that, on the Plan Implementation Date, the ability of any Person to proceed against the Applicants in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;

(g) declare that, on the Plan Implementation Date, the ability of any Person to proceed against the Released Parties in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;

(h) declare that the steps to be taken, the matters that are deemed to occur and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by Article 6, beginning at the Effective Time;

(i) confirm that the CCAA Court was satisfied that: (i) the hearing of the Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in the Applicants and the Released Claims and that all such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Sanction Order; and (ii) prior to the hearing, all of the Affected Creditors, all Persons on the Service List in respect of the CCAA Proceeding, and all Persons with an interest in the Applicants and the Released Claims were given adequate notice thereof;

(j) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and

orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims;

(k) stay as against the Released Parties the commencing, taking, applying for or issuing or continuing any and all steps or proceedings (other than all steps or proceedings to implement the Priority Motion Settlement, the DirectCash Global Settlement or the D&O/Insurer Global Settlement) between (i) the Plan Implementation Date and (ii) the date that the Class Action Settlement Approval Orders are entered into with respect to each of the Priority Motion Settlement, the DirectCash Global Settlement or the D&O/Insurer Global Settlement, as applicable;

(l) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation and administration of the Plan, as necessary pursuant to and in accordance with the terms of the Plan;

(m) authorize and direct the Indenture Trustee to perform its functions and fulfil its obligations under the Plan to facilitate the implementation and administration of the Plan, as necessary pursuant to and in accordance with the terms of the Plan;

(n) direct and deem the Agent and the Indenture Trustee to release, discharge and cancel any guarantees, indemnities, encumbrances or other obligations owing by or in respect of any of the Applicants relating to the Senior Secured Credit Agreement Claims, the Senior Secured Credit Agreement, the Secured Noteholder Claims, the Secured Notes or the Secured Note Indenture, as applicable;

(o) declare that upon completion by the Monitor of its duties in respect of the Applicants pursuant to the CCAA and the Plan, the Monitor may file with the CCAA Court a certificate stating that all of its duties in respect of the Applicants pursuant to the CCAA, the Plan and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor;

(p) declare that, on the Plan Implementation Date, each of the Charges shall be discharged, released and cancelled;

(q) declare that the Monitor may not make any payment from the Monitor's Post-Implementation Plan Reserve to any third party professional services provider (other than its counsel) that exceeds $50,000 (alone or in a series of related payments) without the prior consent of the Ad Hoc Committee or an Order of the CCAA Court;

(r) declare that the Monitor and the Ad Hoc Committee may apply to the CCAA Court for advice and direction in respect of any matters arising from or in connection with the Plan;

(s) declare that, subject to the due performance of their obligations as set forth in the Plan, and subject to its compliance with any written directions or instructions of

the Monitor and/or directions of the CCAA Court in the manner set forth in the Plan, the Applicants, the CRO, the Monitor, the Agent, the Indenture Trustee, the Ad Hoc Committee, the Class Action Plaintiffs and their respective counsel, shall have no liabilities whatsoever arising from or in connection with the performance of their respective obligations under the Plan or the transactions and settlements to be consummated pursuant to and in connection with the Plan.

(t) order and declare that: (i) subject to the prior consent of the Monitor and the Ad Hoc Committee, each acting reasonably, the Litigation Trustee and/or the Monitor shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the CCAA Court or otherwise, that gives effect to any releases of any Remaining Estate Actions in accordance with Article 10 of the Plan, and (ii) in accordance with this Section 8.2(t), all Affected Creditors and other Persons referred to in this Plan shall be deemed to consent to any such releases in any such proceedings;

(u) order that the releases and injunctions set forth in Article 7 of the Plan are effective on the Plan Implementation Date at the time or times and in the manner set forth in Article 6;

(v) order that any Remaining Defendant Releases shall become effective if and when the terms and conditions of Article 10 of the Plan have been fulfilled;

(w) order and declare that the matters described in Article 10 of the Plan shall occur subject to and in accordance with the terms and conditions of Article 10;

(x) declare that sections 95 to 101 of the BIA shall not apply to any of the transactions, distributions or settlement payments implemented pursuant to the Plan;

(y) order and declare that the CRO Engagement Letter and the appointment of the CRO pursuant to paragraph 23 of the Amended and Restated Initial Order are terminated and deemed terminated as of the Plan Implementation Date; and

(z) order and declare that the Litigation Trustee is appointed pursuant to Section 10.1 of the Plan and that the Litigation Trustee Retainer and the Litigation Funding and Indemnity Reserve Agreement are each approved.

ARTICLE 9
CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon satisfaction or waiver of the following conditions prior to the Plan Implementation Date, each of which is for the benefit of the Applicants, the Ad Hoc Committee, any other relevant Plan Settlement Parties, the Senior Secured Lenders, and (in the case of Sections 9.1(k) and (n)) the DIP Lenders, and may be waived only by the Applicants, the Ad Hoc Committee, the relevant Plan Settlement Parties, the

Senior Secured Lenders and, (in the case of Sections 9.1(k) and (n)) the DIP Lenders;; and provided further that such conditions shall not be enforceable by the Applicants, the Ad Hoc Committee, any Plan Settlement Party, or the Senior Secured Lenders if any failure to satisfy such conditions results from an action, error, omission by or within the control of that party:

Plan and Class Action Settlement Approval Matters

(a) the Plan shall have been approved by the Required Majority of each Affected Creditor Class and the CCAA Court, and any amendments to the Plan shall have been made in accordance with Section 11.4;

(b) the Sanction Order shall have been made and shall be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;

(c) the Sanction Order shall be in a form consistent with the Plan or otherwise acceptable to the Applicants, the Ad Hoc Committee, the Monitor, the Senior Secured Lenders and, as applicable, the Plan Settlement Parties, each acting reasonably;

(d) the terms of the Priority Motion Settlement, the DirectCash Global Settlement and the D&O/Insurer Global Settlement shall have been approved by all applicable Class Action Courts pursuant to the Class Action Settlement Approval Orders;

(e) the Class Action Settlement Approval Orders shall be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;

(f) the Class Action Settlement Approval Orders shall be in a form consistent with the Plan, the Priority Motion Settlement Agreement, the DirectCash Global Settlement Agreement and the D&O/Insurer Global Settlement Agreement, or otherwise acceptable in each case to the Applicants, the Ad Hoc Committee and, as applicable, the relevant Plan Settlement Parties, each acting reasonably;

(g) for purposes of the D&O/Insurer Global Settlement only, the U.S. Recognition Order shall have been made and shall be in full force and effect, provided, however, that the Plan Implementation Date shall not be conditional upon the U.S. Recognition Order in the event that the U.S. Recognition Order is not granted due to a lack of jurisdiction of the court;

(h) DirectCash shall have performed its obligations under Section 6.2(a);

(i) the Insurers shall have performed their obligations under Section 6.2(b);

(j) the conditions precedent to set forth in section 36 of the D&O/Insurer Global Settlement Agreement (other than the condition precedent set forth in section 36(l) of the D&O/Insurer Global Settlement Agreement) shall have been satisfied or waived;

Plan Implementation Date Matters

(k) the steps required to complete and implement the Plan shall be in form and in substance satisfactory to the Applicants, the Monitor, the Senior Secured Lenders, the DIP Lenders and the Ad Hoc Committee and, as applicable, each of the relevant Plan Settlement Parties, each acting reasonably.

Other Matters

(l) For greater certainty, nothing in Article 10 is a condition precedent to the implementation of the Plan.

(m) The Estate TPL Action will have been amended to discontinue the claims asserted by the plaintiff, The Cash Store Financial Services Inc., against 0678789 B.C. Ltd., Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, and Trimor Annuity Focus Limited Partnership #6, in the Estate TPL Action.

(n) The quantum of the DIP Repayment Amount shall have been agreed to by the DIP Lenders and arrangements satisfactory to the DIP Lenders shall have been implemented to provide for the payment in full of all obligations that are or may become owing under the DIP Credit Facility to the DIP Lenders.

9.2 Monitor's Certificate of Plan Implementation

Upon satisfaction of the conditions set out in Section 9.1 (including as the same may be confirmed to the Monitor by counsel to the Plan Settlement Parties, at the Monitor's request), and thereafter completion of the Plan steps and transactions set out in Section 6.3, the Monitor shall deliver to the Applicants and the Ad Hoc Committee a certificate stating that the Plan Implementation Date has occurred and that the Plan and the Sanction Order are effective in accordance with their respective terms. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 10
PROSECUTION AND SETTLEMENT OF REMAINING ESTATE ACTIONS

10.1 Prosecution of Remaining Estate Actions

Effective as of the Plan Implementation Date, the Litigation Trustee shall be appointed to prosecute the Remaining Estate Actions against the Remaining Estate Defendants, in accordance with the terms of this Plan, the Litigation Counsel Retainer and the Litigation Trustee Retainer.

10.2 Settlement Releases for Remaining Defendants

(a) Notwithstanding anything to the contrary herein, subject to: (i) the granting of the Sanction Order; (ii) the granting of the applicable Remaining Defendant Settlement Order; and (iii) the satisfaction or waiver of all conditions precedent

contained in the applicable Remaining Defendant Settlement, the applicable Remaining Defendant Settlement shall be given effect in accordance with its terms. Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Remaining Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received in accordance with the terms of the Remaining Defendant Settlement and the Remaining Defendant Settlement Order, the Monitor shall deliver to the applicable Remaining Defendant a certificate (the "**Monitor's Remaining Defendant Settlement Certificate**") stating that (i) each of the parties to such Remaining Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (ii) any settlement funds have been paid and received; and (iii) immediately upon the delivery of the Monitor's Remaining Defendant Settlement Certificate, the applicable Remaining Defendant Release will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Remaining Defendant Settlement Certificate with the CCAA Court.

(b) Notwithstanding anything to the contrary herein, upon delivery of the Monitor's Remaining Defendant Settlement Certificate, any claims and causes of action shall be dealt with in accordance with the terms of the applicable Remaining Defendant Settlement, the Remaining Defendant Settlement Order and the Remaining Defendant Release. To the extent provided for by the terms of the applicable Remaining Defendant Release: (i) the applicable Claims against the applicable Remaining Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Remaining Defendant; and (ii) Section 7.3 hereof shall apply to the applicable Remaining Defendant and the applicable Claims against the applicable Remaining Defendant *mutatis mutandis* on the effective date of the Remaining Defendant Settlement, and the applicable Remaining Defendant shall be, and shall be deemed to be, a "Released Party" for all purposes of this Plan.

(c) With the consent of the Monitor, the Ad Hoc Committee, and if before the Plan Implementation Date, the Applicants, and if after the Plan Implementation Date, the Litigation Trustee, each acting reasonably, the provisions of this Article 10 may apply *mutatis mutandis* to any settlement of any remaining Consumer Class Action Claims against any Person that is not a Released Party; provided that in any such case, the settling parties shall provide additional funding to the Monitor to be transferred to the Monitor's Post-Implementation Reserve to address any additional costs associated with the operation of this Section 10.2(c).

ARTICLE 11
GENERAL

11.1 Binding Effect

On the Plan Implementation Date:

(a) the Plan will become effective at the Effective Time;

(b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

11.2 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.3 Non-Consummation

The Applicants reserve the right to revoke or withdraw the Plan at any time prior to the Sanction Date, with the consent of the Monitor and the Ad Hoc Committee. If the Applicants so revoke or withdraw the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, including the fixing or limiting to an amount certain any Claim, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicants or any other Person; (ii) prejudice in any manner the rights of the Applicants or any other Person in any further proceedings involving the Applicants; or (iii) constitute an admission of any sort by the Applicants or any other Person. In addition, the Monitor shall promptly refund all amounts paid into the Monitor's Distribution Account by DirectCash and the Insurers, together with any and all interest earned thereon.

11.4 Modification of the Plan

(a) The Applicants may, at any time and from time to time, amend, restate, modify and/or supplement those elements of the Plan not requiring the Insurer's participation or payments with the consent of the Monitor and the Ad Hoc Committee (and, to the extent such amendment, restatement, modification and/or supplement relates to the DIP Repayment Amount or the DIP Priority Charge, with the consent of the DIP Lenders), each acting reasonably, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:

(i) if made prior to or at the Meeting: (A) the Monitor or the Chair (as defined in the Meetings Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Creditors and other Persons present at the Meetings prior to any vote being

taken at the Meeting; (B) the Applicants shall provide notice to the Service List of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the CCAA Court forthwith and in any event prior to the hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website forthwith and in any event prior to the hearing in respect of the Sanction Order; and

(ii) if made following the Meeting: (A) the Applicants shall provide notice to the Service List of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the CCAA Court; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the CCAA Court following notice to the Affected Creditors.

(b) Notwithstanding Section 11.4(a), any amendment, restatement, modification or supplement not impacting the Insurers' participation or payments may be made by the Applicants: (i) if prior to the Sanction Date, with the consent of the Monitor and the Ad Hoc Committee, each acting reasonably; and (ii) if after the Sanction Date, with the consent of the Monitor and the Ad Hoc Committee, each acting reasonably, and upon approval by the CCAA Court, provided in each case that it concerns a matter that, in the opinion of the Applicants, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors or the DIP Lenders.

(c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the CCAA Court and, if required by this Section, approved by the CCAA Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

11.5 Actions and Approvals of the Applicants after Plan Implementation

(a) From and after the Effective Time, and for the purpose of this Plan only:

(i) to the extent the Applicants no longer have any officers or employees available to enable them to provide their agreement, waiver, consent or approval to any matter requiring the Applicants' agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor as agent for and on behalf of the Applicants; and

(ii) to the extent the Applicants no longer have any officers or employees available to enable them to provide their agreement, waiver, consent or approval to any matter requiring the Applicants' agreement, waiver,

consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

11.6 Consent of the Ad Hoc Committee

For the purposes of this Plan, including before and after the Effective Time, and including in connection with any Remaining Estate Actions or any Remaining Defendant Settlement, any matter requiring the agreement, waiver, consent or approval of the Ad Hoc Committee shall be deemed to have been agreed to, waived, consented to or approved by the Ad Hoc Committee if such matter is agreed to, waived, consented to or approved in writing by Goodmans.

11.7 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

(a) the Plan; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Applicants as at the Plan Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

11.8 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of the Plan not impacting the Insurers' participation or payments is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants and with the consent of the Monitor and the Ad Hoc Committee, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to the Applicants and will not be responsible or liable for any obligations of the Applicants.

11.10 Chief Restructuring Officer

The CRO is acting in its capacity as CRO pursuant to the terms of the Amended and Restated Initial Order with respect to the Applicants and will not be responsible or liable for any obligations of the Applicants; provided however that the CRO shall exercise the powers granted to the CRO under the Amended and Restated Initial Order to cause the Applicants to perform the Applicants' obligations under this Plan.

11.11 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder, and will be affected hereunder, in each such capacity. Any action taken by or treatment of a Person in one capacity will not affect such Person in any other capacity.

11.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

(a) if to the Applicants:

Osler, Hoskin & Harcourt LLP
100 King Street West, 1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Marc Wasserman and Patrick Riesterer
Email: mwasserman@osler.com and priesterer@osler.com
Fax: 416-862-6666

(b) if to the Ad Hoc Committee:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Robert Chadwick and Brendan O'Neill
Email: rchadwick@goodmans.ca and boneill@goodmans.ca
Fax: 416-979-1234

(c) if to the Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Greg Watson
Email: greg.watson@fticonsulting.com and
Fax: (416) 649-8101

and with a copy by email or fax (which shall not be deemed notice) to:

McCarthy Tétrault LLP
Box 48, Suite 5300, Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Geoff Hall and James Gage
Email: ghall@mccarthy.ca and jgage@mccarthy.ca
Fax: (416) 601-7856

(d) if to DirectCash:

c/o Dentons LLP
850 – 2nd Street S.W., 15th Floor
Calgary, Alberta T2P 0R8

Attention: David Mann
Email: dmann@dentons.com
Fax: (403) 268 3100

(e) if to the Insurers:

c/o Lenczner Slaght
130 Adelaide Street West, Suite 2600
Toronto, Ontario M5H 3P5

Attention: Peter Griffin and Matthew Lerner
Email: pgriffin@litigate.com and mlerner@litigate.com
Fax: (416) 865-9010

and with a copy by email or fax to:

Blake Cassells & Graydon LLP
199 Bay Street, Suite 400
Toronto, Ontario M5L 1A9

Attention: Jeff Galway and Ryan Morris
Email: jeff.galway@blakes.com and ryan.morris@blakes.com
Fax: (416) 863-2653

(f) if to Siskinds:

Siskinds LLP
680 Waterloo Street, P.O. Box 2520
London, Ontario N6A 3V8

Attention:	Charles Wright and Serge Kalloghlian
Email:	charles.wright@siskinds.com and serge.kalloghlian@siskinds.com
Fax:	(519) 660-7754

(g) if to Harrison Pensa:

Harrison Pensa LLP
450 Talbot St. P.O. Box 3237
London, Ontario N6A 4K3

Attention:	Jonathan Foreman
Email:	jforeman@harrisonpensa.com
Fax:	(519) 667-3362

(h) if to Bennett Mounteer:

Bennett Mounteer LLP
1400-128 West Pender Street
Vancouver, B.C. V6B 1R8

Attention:	Paul Bennett and Mark Mounteer
Email:	pb@hbmlaw.com and mm@hbmlaw.com
Fax:	(604) 639-3681

(i) if to the Indenture Trustee:

Computershare Trust Company of Canada, as Canadian Trustee and Collateral Agent
100 University Avenue, 11th Floor
Toronto, ON M5J 2Y1

Attention:	Manager, Corporate Trust
Email:	corporatetrust.toronto@computershare.com
Fax:	(416) 981-9777

and with a copy by email or fax to:

Dickinson Wright LLP
199 Bay Street
Suite 2200
Commerce Court West
Toronto, ON M5L 1G4

Attention: Michael A. Weinczok
Email: mweinczok@dickinson-wright.com
Fax: (416) 865-1398

and with a copy by email or fax to:

Computershare Trust Company, N.A., as U.S. Trustee
480 Washington Blvd., 28th Floor
Jersey City, NJ 07310

Attention: Tina Vitale
Email: tina.vitale@computershare.com
Fax: (212) 977 1648

and with a copy by email or fax to:

Perkins Coie LLP
30 Rockefeller Plaza, 22nd Floor
New York, NY 10112

Attention: Tina N. Moss
Email: tmoss@perkinscoie.com
Fax: (212) 977-1648

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

11.13 Further Assurances

The Applicants and any other Person named or referred to in the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions and settlements contemplated herein.

DATED as of the 6th day of October, 2015.

SCHEDULE A

Priority Motion Settlement Agreement

(redacted)

IN THE MATTER OF THE CASH STORE FINANCIAL SERVICES INC. et. al.
Court File No. CV-14-10518-00CL

Settlement Term Sheet

As a global settlement of (i) all claims that have been or could be advanced by (a) the putative class action plaintiffs represented by Harrison Pensa and Koskie Minsky under a representation order granted by the CCAA court (collectively "**Representative Counsel**"), including without limitation, in the priority motion filed by Representative Counsel in the CCAA proceedings (the "**Priority Motion**") and (b) the class action and putative class action plaintiffs represented by Hordo Bennett Mounteer LLP ((a) and (b) together, the "**CCAGs**"), as against the Cash Store, the secured first lien lenders under the Credit Agreement (collectively, the "**First Lien Lenders**"), and/or the holders of the secured second lien notes issued by Cash Store under the Indenture (collectively, the "**Noteholders**"), (ii) all claims that have been or could be asserted by the CCAGs against any of J. Murray McCann, 0678786 B.C. Ltd., 8028702 Canada Inc. ("**802**"), or any of their affiliated entities (collectively, "**McCann Entities**") as third party lenders to Cash Store, and (iii) all claims that have been or could be asserted by Cash Store or the Monitor against the McCann Entities as third party lenders to Cash Store ((i), (ii) and (iii) above being, collectively, the "**Settled Claims**"), the undersigned parties hereto (the "**Settlement Parties**") agree as follows:

1. $1.45MM of the recoveries that would otherwise be available to the First Lien Lenders (excluding 424) and the Noteholders from a distribution of the remaining assets of Cash Store to be made pursuant to the Distribution Motion to be filed (as discussed and defined below) will be re-allocated on approval of the Distribution Motion to the CCAGs in satisfaction, release and settlement of the Settled Claims. The $1.45MM will be paid to Harrison Pensa in trust and funded from the distributions to be made to the First Lien Lenders (excluding 424) and the Noteholders as follows:

   (a) $250K from the distribution to Coliseum as a first lien lender;

   (b) $500K from the distribution to 802 as a first lien lender (which includes an allocation of $250K on account of the Harrison Pensa CCAG claim filed against the McCann Entities); and

   (c) $700K from the distribution to the Noteholders.

2. Osler or Goodmans will promptly advise the CCAA Court on notice to the full service list that the Priority Motion has been settled and that the hearing dates currently reserved for July 28-29, 2015 (the "**July Hearing Dates**") will now be used to hear a distribution motion to be filed by the Cash Store in advance of the July Hearing Dates, for hearing on the July Hearing Dates, which will distribute the available assets of Cash Store to its creditors, and incorporate and approve the settlement distributions set out herein (the "**Distribution Motion**"). The Settlement Parties will support, and will not directly or indirectly contest, oppose or seek to delay in any way the hearing of the Distribution Motion on the July Hearing Dates. For greater clarity, the Settlement Parties shall not directly or indirectly contest, oppose or seek to delay any distributions to the First Lien Lenders (other than 424) or the Noteholders at the Distribution Motion or otherwise of any

estate funds other than the amounts that are required to be paid to the CCAGs as contemplated herein.

3. The cash designated by the Monitor as "Ontario Restricted Cash" in the amount of approximately $1,927,959.00 (the "Segregated Cash") representing costs of borrowing that the Monitor reports was collected by Cash Store after February 12, 2014 shall be distributed to the CCAGs, provided however that:

(a) approximately $1.4MM of the Segregated Cash (or such other amount to be confirmed by the Monitor relating to Ontario loans) will be distributed to Harrison Pensa, in trust for Ontario class members, subject to the approval of the Ontario payday lending regulator to the extent that such approval may be required;

(b) Cash Store and the Monitor shall make commercially reasonable efforts to obtain the approval of the Ontario payday lending regulator to the proposed distribution of the Segregated Cash, to the extent that such approval may be required, which efforts shall begin promptly after the execution hereof;

(c) approximately $0.5MM of the Restricted Cash (or such other amount to be confirmed by the Monitor relating to non-Ontario loans) will be distributed to the non-Ontario CCAGs, subject to the approval of the Ontario payday lending regulator to the extent that such approval may be required;

(d) as soon as reasonably practicable following court approval of the Distribution Motion and subject to compliance with all applicable privacy and other legislation, Cash Store shall provide to the CCAGs all relevant particulars respecting the borrowers from whom the Segregated Cash was collected, including names, contact information and particulars of their payday loan transactions, in each case to the extent known or within the control of Cash Store;

(e) in the event that a response from the Ontario payday lending regulator for the matters contemplated in this paragraph is not obtained in advance of the July Hearing Dates, then:

(i) the Monitor shall continue to hold the Segregated Cash in escrow pending (A) receipt of approval or confirmation of non-opposition from the Ontario payday lending regulator or, (B) in the event that no response from the Ontario payday lending regulator is obtained prior to September 18, 2015, an order of the CCAA Court on notice to all of the Settlement Parties and the Ontario payday lending regulator regarding the distribution of the Segregated Cash obtained in accordance with paragraph 3(e)(ii);

(ii) Representative Counsel shall be entitled to bring a motion in the CCAA proceedings seeking entitlement to distribute the Segregated Cash as contemplated herein and the Settlement Parties will not seek to delay the hearing of that motion, which motion may be brought only after September 18, 2015 on notice to all the Settlement Parties and the Ontario payday lending regulator; and

(f) in any event, the payment of all or any portion of the Segregated Cash to the CCAGs is not a condition precedent to any aspect of the settlement set forth herein.

4. As further consideration for the satisfaction, release and settlement of the Settled Claims, 10% of any net distributions to be made by Cash Store (or any successor thereto, or receiver appointed in respect thereof, or litigation trust established in respect thereof) in respect of the litigation commenced by Thornton Grout Finnigan on behalf of Cash Store against KPMG and Cassels Brock (the "**LT Eligible Claims**") shall be paid to Harrison Pensa in trust for the CCAGs to be divided as agreed by them up to an aggregate amount of $3MM, and 5% of any net distributions on the LT Eligible Claims thereafter.

5. $150K in costs shall be paid to Harrison Pensa in respect of the costs of advisors to Harrison Pensa in the CCAA proceedings, with the allocation of such $150K to be determined among Coliseum, 802 and the Ad Hoc Committee from their respective distributions.

6. As soon as practicable following court approval of the settlement that is subject to the Distribution Motion and subject to compliance with all applicable privacy and other legislation, Cash Store shall provide any relevant information or particulars concerning class members and their payday loan transactions to the CCAGs in order to assist in executing notice, settlement administration and settlement distribution programs by the CCAGs.

7. The distribution of the CCAG settlements are subject to rules and requirements of applicable class proceedings legislation, provided that no such rule or requirement constitutes a pre-condition to the settlement of the Settled Claims reached herein among the Settlement Parties.

8. Coliseum, the McCann Entities and the Noteholders shall receive a full release in respect of any and all claims that have been or could be brought against them by the CCAGs and Cash Store or on their behalf, as the case may be, and the settlement parties agree that no further action will be commenced by any settlement party against another settlement party. No other releases shall be granted to any director and/or officer of Cash Store or to any other Cash Store third party lender by this agreement and settlement of the Settled Claims.

9. The McCann Entities stipulate that it is their understanding and assertion, consistent with the Monitor's understanding as outlined in subparagraph 37(c) of the Second Report of the Monitor dated April 27, 2014, that payday loan contracts in Ontario were not made in the name of any McCann Entity as lender during the class period stated in the Ontario class actions, but rather were made by another Third Party Lender and later transferred to a McCann Entity. Mr. McCann shall provide reasonable assistance to the Ontario plaintiffs in the Ontario class proceedings as against the other Cash Store Third Party Lenders conducting business in Ontario during the relevant time.

10. [redacted]

11. The parties agree that DCPI shall not be offered a global release of claims against it where such release includes a release of the litigation commenced against DCPI by Hordo Bennett Mounteer LLP unless DCPI pays value to Hordo Bennett Mounteer LLP that is acceptable to Hordo Bennett Mounteer LLP.

12. In the event that a settlement with DCPI is not obtained before June 30, 2015 or such other date as may be agreed among the CCAGs, Cash Store and the Ad Hoc Committee, then (i) the cooperation referenced in paragraph 10 above and the allocation set out therein shall no longer apply, (ii) the Distribution Motion will proceed on the July Hearing Dates with no DCPI global settlement, and (iii) the parties will thereafter remain free to independently pursue their respective claims against DCPI and paragraphs 10 and 11 above shall cease to have any force or effect.

13. No aspect of this settlement is contingent on any settlement with DCPI being reached.

14. The parties agree that the Distribution Motion shall not provide any form of release for 424 in respect of any claims that any settlement party may have against 424. The settlement parties agree that the Distribution Motion shall seek to set aside and escrow all principal and interest due to 424 as a first lien lender, pending resolution of any claims any settlement party may have against 424. No aspect of this settlement is contingent on the CCAA Court agreeing to escrow any such amounts due to 424 as a first lien lender. Notwithstanding anything in this term sheet, all parties remain free to pursue any and all claims as against 424, including without limitation, the matters asserted in the Priority Motion as against 424.

15. The parties agree to reversion of any undistributed funds paid pursuant to this settlement agreement in settlement of the Priority Motion, as follows:

    (a) The CCAGs agree to distribute all funds paid to them under this settlement agreement to their respective class members and putative class members pursuant to plans of distribution approved by the court, net of notice, agent and administrative costs and contingency or other legal fees (subject to court approval), disbursements, and applicable taxes payable to them in respect of same;

(b) In the event that any funds paid pursuant to this settlement agreement in settlement of the priority motion that are to be distributed to class members and putative class members cannot be so distributed (due to distribution cheques remaining uncashed, inability to find eligible class members and putative class members or any other reason whatsoever) following the conclusion of the settlement distribution processes employed in the consumer class action cases, the parties agree to consult with one another in a good faith attempt to reach agreement as to how such undistributed funds are to be allocated and, if no agreement regarding such allocation can be reached within 30 days (or such later date as the parties may agree), then the parties shall seek direction from the CCAA court regarding how such funds are to be allocated and shall provide notice to all interested parties of such hearing;

(c) The decision of the CCAA court on the allocation of undistributed funds if any shall be final and binding on the parties;

(d) The foregoing matters shall be reflected in the order approving the Distribution Motion; and

(e) For clarity, except with respect to the foregoing matters, no party other than the CCAGs shall have standing in respect of the notice and distribution processes to be proposed by the courts for approval and to be implemented by the CCAGs or any administration firm acting on their behalf.

16. The CCAGs have agreed, or will agree, on the allocation between them of any amounts payable to the CCAGs under this settlement. No aspect of this settlement by the CCAGs with the other settlement parties is contingent on any aspect of any such allocation matters as between the CCAGs, both of whom irrevocably accept the settlement terms established hereunder with all of the other settlement parties.

17. These settlement terms will be reflected in definitive materials to be filed with the CCAA Court for the Distribution Motion and the July Hearing Dates, which materials shall be in form and substance reasonably acceptable to all of the Settlement Parties.

18. This agreement may be executed in any number of counterparts and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

19. It is acknowledged by the Settlement Parties that the Chief Restructuring Officer of Cash Store shall have no personal liability whatsoever for the execution of this agreement, any matter contained in this agreement or any of the covenants or provisions contained herein; provided however that the Chief Restructuring Officer of Cash Store shall exercise the powers granted to the Chief Restructuring Officer under the Initial Order in Cash Store's CCAA proceedings to cause Cash Store to perform its obligations set out herein.

20. No admissions or liability or priority are made, and no defences are waived, as any part of this settlement.

21. Paragraph 10 of this term sheet is strictly confidential and shall not be disclosed by any of the Settlement Parties without the express prior written consent of all other Settlement Parties.

[Remainder of page intentionally blank]

Dated this 19th day of June, 2015.

IN WITNESS OF WHICH the parties have executed this Term Sheet.

1511419 ONTARIO INC., on behalf of itself and its Canadian affiliates

By: _____
Name: William E. Aziz
Title: Chief Restructuring Officer

HARRISON PENSA LLP

By: _____
Name: Jonathan Foreman
Title: Partner

HORDO BENNETT MOUNTEER LLP

By: _____
Name: Paul Bennett
Title: Partner

KOSKIE MINSKY LLP

By: _____
Name: Andrew Hatnay
Title: Partner

GOODMANS LLP, on behalf of Ad Hoc Committee of Noteholders

By: _____
Name: Brendan O'Neill
Title: Partner

Dated this 19th day of June, 2015.

IN WITNESS OF WHICH the parties have executed this Term Sheet.

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Name: William E. Aziz
Title: Chief Restructuring Officer

HARRISON PENSA LLP

By: _____
Name: Jonathan Foreman
Title: Partner

HORDO BENNETT MOUNTEER LLP

By: _____
Name: Paul Bennett
Title: Partner

KOSKIE MINSKY LLP

By: _____
Name: Andrew Hatnay
Title: Partner

GOODMANS LLP, on behalf of Ad Hoc Committee of Noteholders

By: _____
Name: Brendan O'Neill
Title: Partner

Dated this 19th day of June, 2015.

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HARRISON PENSA LLP

By: _____
Name: Jonathan Foreman
Title: Partner

HORDO BENNETT MOUNTEER LLP

By: _____
Name: Paul Bennett
Title: Partner

KOSKIE MINSKY LLP

By: _____
Name: Andrew Hatnay
Title: Partner

GOODMANS LLP, on behalf of Ad Hoc Committee of Noteholders

By: _____
Name: Brendan O'Neill
Title: Partner

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HARRISON PENSA LLP

By: _____
Name: Jonathan Foreman
Title: Partner

HORDO BENNETT MOUNTEER LLP

By: _____
Name: Paul Bennett
Title: Partner

KOSKIE MINSKY LLP

By: _____
Name: Andrew Hatnay
Title: Partner

GOODMANS LLP, on behalf of Ad Hoc Committee of Noteholders

By: _____
Name: Brendan O'Neill
Title: Partner

NORTON ROSE FULBRIGHT CANADA LLP, on behalf of Collseum

By: _____
Name: Alan Merskey
Title: Partner

BENNETT JONES LLP, on behalf of all McCann entities

By: _____
Name: Jonathan Bell
Title: Associate

NORTON ROSE FULBRIGHT CANADA LLP, on behalf of Coliseum

By: _____
Name: Alan Merskey
Title: Partner

BENNETT JONES LLP, on behalf of all McCann entities

By: _____
Name: Jonathan Bell / Dan Dekai
Title: Associate

SCHEDULE B

DirectCash Global Settlement Agreement

SETTLEMENT AGREEMENT

Among:

1511419 ONTARIO INC., formerly known as THE CASH STORE FINANCIAL SERVICES INC.
1545688 ALBERTA INC., formerly known as THE CASH STORE INC.
1152919 ALBERTA INC, formerly known as INSTALOANS INC.
5515433 MANITOBA INC.
986301 ALBERTA INC., formerly known as TCS CASH STORE INC.
7252331 CANADA INC.
1693926 ALBERTA INC., formerly doing business as "The Title Store",
(collectively, "Cash Store")

-and-

DIRECTCASH PAYMENTS INC.
DIRECTCASH MANAGEMENT INC. (in its own capacity and as general partner of the following three partnerships)
DIRECTCASH ATM PROCESSING PARTNERSHIP
DIRECTCASH ATM MANAGEMENT PARTNERSHIP
DIRECTCASH CANADA LIMITED PARTNERSHIP
DIRECTCASH BANK
DIRECTCASH ACQUISITION CORP.
DIRECTCASH MANAGEMENT UK LTD.
DIRECTCASH MANAGEMENT AUSTRALIA PTY LTD.
(collectively, "DirectCash")

-and-

HARRISON PENSA LLP as counsel to the proposed representative plaintiff in Yeoman v. The Cash Store Financial et. al. (ONSCJ No. 7908/12 CP) (the "Ontario Class Action" and the "Ontario Class Action Plaintiffs") and KOSKIE MINSKY LLP as agent for Harrison Pensa LLP

-and-

BENNETT MOUNTEER LLP and CUMING & GILLESPIE as co-counsel on behalf of the proposed representative plaintiffs in *Stewart v. DirectCash Payments Inc. et al.* (BCSC No. 154924), *Efthimiou v. The Cash Store et al.* (ABQB File No. 1201-118180), *Ironbow v. The Cash Store Financial Services Inc. et al.* (SKQB No. 1453), *Rehill v. The Cash Store et al.* (MBQB No. C112-01-80578) and on behalf of the representative plaintiff in *Meeking v. The Cash Store Inc. et. al.* (MBQB No. C1110-01-66061) (collectively, the "Western Canada Class Actions" and the "Western Canada Class Action Plaintiffs")

Dated September 20, 2015

1. PURPOSE

The purpose of this settlement agreement (the "Settlement Agreement") is to set out the terms of a settlement and release, which release shall become effective as of the Effective Date (as defined below),

of (i) any claims that were made or that could be made by Cash Store, the Ontario Class Action Plaintiffs or the Western Canada Class Action Plaintiffs against DirectCash and (ii) any claims that were made or that could be made by DirectCash against Cash Store. For purposes of this Settlement Agreement, any references to Cash Store shall include all of its present and former directors, officers and agents (solely in their capacity as agents of Cash Store), and their successors and assigns, and any references to DirectCash shall include all of its present and former directors, officers and agents (solely in their capacity as agents of DirectCash), and their successors and assigns.

2. COURT APPROVAL

On April 14, 2014, Cash Store obtained protection from creditors pursuant to an initial order made by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") pursuant to the CCAA, which initial order was amended and restated on April 15, 2014 (as amended and restated, the "**Initial Order**"). Pursuant to the Initial Order, the Court appointed FTI Consulting Canada Inc. (the "**Monitor**") as monitor in connection with the CCAA proceedings.

The terms of the Settlement Agreement are subject to the satisfaction of all of the following conditions precedent:

(a) the approval of the Court of this Settlement Agreement (which may occur as part of the Plan of Compromise and Arrangement (the "**Plan**") to be approved under the Sanction Order (as defined below);

(b) all conditions of the CCAA Plan being satisfied or waived, including (i) the approval of the Plan by the requisite majority of creditors, and (ii) the approval of the DirectCash Release (as defined below); and

(c) the Sanction Order and the Class Action Approval Orders (as defined below) having been granted and being free of all appeals, and applications to vary or set aside,

whereupon, subject to such conditions precedent being satisfied or waived, the terms of the Settlement Agreement, the Plan, the Sanction Order and the Class Action Approval Orders shall be binding on Cash Store, DirectCash, the Ontario Consumer Class Action Plaintiffs and the Western Canada Class Action Plaintiffs (collectively, the "**Class Action Plaintiffs**") and their respective successors and assigns. Cash Store, DirectCash and the Class Action Plaintiffs shall govern themselves in accordance with this Settlement Agreement unless and until the Court orders that this Settlement Agreement is not approved.

The parties agree to work collaboratively to obtain as promptly as practicable Court approval of the Plan, which includes an approval of this Settlement Agreement and the settlements contemplated herein, the Settlement Payment (as defined below), the DirectCash Release and the Cash Store Release (as defined below) pursuant to a sanction order of the CCAA Court (the "**Sanction Order**"), including any additional approvals required from the class action courts overseeing the Ontario Class Action and the Western Canada Class Actions, as necessary (collectively, the "**Class Action Courts**" and the "**Class Action Approval Orders**"). The form and substance of the Plan, the Sanction Order and any Class Action Approval Orders to be submitted for court approval shall be satisfactory to each of the parties hereto (including relevant matters of notice and service of materials), acting reasonably and consistently with this Settlement Agreement, as and to the extent that the Plan, the Sanction Order and any Class Action Approval Orders concern the matters set forth in this Settlement Agreement and the settlements contemplated hereby.

3. NO ADMISSION OF LIABILITY

Cash Store, DirectCash and the Class Action Plaintiffs acknowledge and agree that neither Cash Store nor DirectCash are making any admission of liability or wrongdoing with respect to any conduct or matter, including any matters referenced in this Settlement Agreement or any conduct relating to the Agreements described herein. Any and all liability or wrongdoing is expressly denied.

4. PRE-EXISTING AGREEMENTS

Cash Store and Direct Cash are (or have been) parties to the following agreements:

(a) Cash Card Merchant Agreement among The Cash Store Inc., DirectCash ATM Processing Partnership and DirectCash ATM Management Partnership (collectively, "DC ATM") dated April 28, 2005, as amended by amendment dated February 28, 2013;

(b) ATM Agreement among Cash Store Financial Services Inc. ("Cash Store Financial"), DC ATM, and DirectCash Acquisition Corp. dated June 29, 2010, as amended by amendment dated November 22, 2013;

(c) Debit Terminal and Prepaid Products Agreement among Rentcash Inc. (a predecessor of Cash Store Financial) ("Rentcash") and DC ATM dated July 21, 2005;

(d) PAD Payment Management Agreement between Cash Store Financial (Instaloans Collection Centre) and DirectCash ATM Processing Partnership dated July 10, 2013;

(e) PAD Payment Management Agreement between Cash Store Financial (Cash Store Collection Centre) and DirectCash ATM Processing Partnership dated July 10, 2013;

(f) PAD Payment Management Agreement between The Title Store and DirectCash ATM Processing Partnership dated September 25, 2012;

(g) PAD Payment Management Agreement between Cash Store Financial (NCC Manitoba-National Collection Company) and DirectCash ATM Processing Partnership dated November 30, 2011;

(h) PAD Payment Management Agreement between Cash Store Financial (NCC Manitoba-National Collection Company; Loans Alberta login) and DirectCash ATM Processing Partnership dated December 20, 2011;

(i) PAD Payment Management Agreement between Cash Store Financial (NCC Manitoba-National Collection Company; New NCC MB) and DirectCash ATM Processing Partnership dated December 20, 2011;

(j) Agency Agreement among Cash Store Financial, The Cash Store Inc., TCS Cash Store Inc., Instaloans Inc., 5515433 Manitoba Inc., and DirectCash Bank dated September 1, 2009 as amended by amendment dated February 28, 2013;

(k) The E-Transfer Agreement between DirectCash ATM, Cash Store Financial and The Cash Store Inc. dated August, 2013;

(l) Any and all ongoing custom software development agreements, ATM enhancement agreements, interac functionality and e-transfer development agreements and any addenda thereto;

(m) Any and all guarantees given to DirectCash by Cash Store;

(n) Any and all incentive agreements or programs between DirectCash and Cash Store, including the incentive letter issued by DirectCash Payments Inc. to Cash Store Financial dated December 12, 2013;

(o) Indemnity Agreement dated April 22, 2005 given by Rentcash in favour of Card Capital Inc., Teal Financial (2003) Corp., DirectCash ATM Processing Partnership, DirectCash ATM Management Partnership, DirectCash Limited Partnership and DirectCash Management Inc. and their directors and officers, and any similar, supplementary or additional such indemnities;

(p) Sale of Assets letter agreement between Tembo Telecom Inc. and DirectCash Management Inc. dated August 31, 2009;

(q) Any agreement pursuant to which DirectCash holds the payment protection plan funds payable to the Applicants by Echelon General Insurance Company or any of its affiliates;

(r) Any other agreement pursuant to which DirectCash holds funds payable to the Applicants from any other person or entity; and

(s) Any other letter agreement, email agreement, oral agreement, or other agreement between the Applicants or any of their affiliates and DirectCash or any of their affiliates relating to the Applicant's and their affiliates' businesses

(collectively, the "**Agreements**")

The parties agree that if the list of Agreements set out above is not exhaustive, this Settlement Agreement is intended to and shall address any agreements not specifically listed, including any agreements among any affiliates of Cash Store or any affiliates of DirectCash that are not party to this Settlement Agreement, and any such agreements shall be included in the defined term "Agreements" hereafter.

5. PAYMENT AND SETTLEMENT COMMITMENTS BY DIRECTCASH

Subject to the terms and conditions hereof and the terms and conditions of the Plan, DirectCash shall pay $14.5 million (the "**Settlement Amount**") to settle any and all claims of Cash Store and/or the Class Action Plaintiffs against DirectCash and to obtain the DirectCash Release (defined below), as follows:

(a) Pursuant to the payment and distribution provisions of the Plan, DirectCash shall pay $4.5 million to Cash Store to settle any and all claims of any nature whatsoever, howsoever or whenever arising, that Cash Store may have against the DirectCash Releasees, including, without limitation, in respect of the Agreements, in respect of any security deposits held by DirectCash, and in respect of certain amounts that DirectCash has set-off, deducted or otherwise withheld from payments due to Cash Store under the Agreements or otherwise in relation to amounts purportedly owing to DirectCash by Cash

Store or its foreign affiliates. It is further agreed that all claims that DirectCash may have against Cash Store in respect of the Agreements or otherwise have been considered in arriving at the Settlement Amount and that the Plan shall release Cash Store from and all such claims and any other claims, howsoever arising, which DirectCash has made or could make against Cash Store (the "**Cash Store Release**").

(b) Pursuant to the payment and distribution provisions of the Plan, DirectCash shall pay $6.15 million to Harrison Pensa LLP to settle any and all claims of any nature whatsoever, howsoever arising, against the DirectCash Releasees, that were raised or that could have been raised in or by the Ontario Class Action.

(c) Pursuant to the payment and distribution provisions of the Plan, DirectCash shall pay $3.85 million to Bennett Mounteer LLP to settle any and all claims of any nature whatsoever, howsoever arising, against the DirectCash Releasees, that were raised or that could have been raised in or by the Western Canada Class Actions.

The Settlement Amount shall be paid without defence, recoupment, set-off or counterclaim, free of any restriction or condition, and paid by wire transfer of immediately available funds to the Monitor on the following dates: (i) $2 million shall be paid within two (2) Business Days of the date hereof; (ii) $10 million shall be paid within two (2) Business days of the day that all applicable appeal periods related to the Sanction Order and any Class Action Approval Orders have expired and any appeal or motion for leave to appeal has been fully disposed of with no further right to appeal; and (iii) $2.5 million shall be paid on or before May 1, 2016.

Notwithstanding the foregoing, the parties will agree, acting reasonably, to such protocols as are necessary to ensure that the closing of all transactions contemplated hereunder to occur on the Effective Date do occur on the Effective Date, including advancing the amount contemplated in item (ii) above in advance of the Effective Date.

All amounts paid by DirectCash in respect of the Settlement Amount shall be held in an interest bearing trust account maintained by the Monitor and distributed in accordance with the provisions of the Plan and any applicable plans of distributions approved under applicable Class Action Approval Orders, and only in the event that all conditions precedent hereunder and thereunder have been satisfied shall such amounts be distributed in accordance with the Plan. In all other events any amounts paid by DirectCash hereunder shall be returned to DirectCash. In all events any interest earned on these amounts shall be remitted to DirectCash.

Within fourteen days after the Effective Date, and subject to appropriate arrangements between Harrison Pensa LLP, Bennett Mounteer LLP, and Cuming & Gillespie LLP and DirectCash to address any applicable confidentiality and privacy issues, DirectCash shall provide the Information to Harrison Pensa LLP, and Bennett Mounteer LLP, or Cuming & Gillespie LLP and their distribution agent(s) as provided for below. In this regard:

(a) "**Information**" shall mean, with respect to any person of which Direct Cash is aware that had a card funded, or deposit made, through the Cash Store and Loansalberta Inc. during the period of time described in the Class Actions: (i) the names, addresses, phone numbers and email addresses of such persons (the "**Contact Information**"), and (ii) the first day a card was loaded, the last day it was active or was reduced to a nil balance, the total value loaded in respect of a card, and the number of loads made to that card (the "**Transaction Data**");

(b) the Information provided: (i) shall be solely for the purpose of assisting in executing notice, settlement administration and settlement distribution programs for the benefit of class members and for no other purpose; (ii) shall be provided in excel or other format to be agreed upon with a supporting explanation respecting the manner in which the data is organized; (iii) related to the Contact Information - but not the Transaction Data - shall be provided to Harrison Pensa LLP, Bennett Mounteer LLP, or Cuming & Gillespie LLP; (iv) only the respective distribution agents of Harrison Pensa LLP and Bennett Mounteer LLP, or Cuming & Gillespie LLP shall receive both of the Contact Information and the Transaction Data. Harrison Pensa LLP and Bennett Mounteer LLP, or Cuming & Gillespie LLP may only review the Transaction Data in order to advise or assist the distribution agent with the claims process; (v) shall be categorized according to the province where the person's address indicates they were located or where a transaction was entered into; (vi) shall be provided in one package with no further or other deliveries subject only to a right by Harrison Pensa LLP or Bennett Mounteer LLP and Cuming Gillespie LLP or the duly appointed distribution agent(s) of them to seek and obtain reasonable explanation in respect of the information; (vii) shall be compiled and provided in good faith respecting accuracy and completeness but without any representation or warranty as to the same; and (viii) shall be destroyed when the purposes set forth in item (i), above, are completed (with the relevant distribution agent providing a certificate to this effect to DirectCash);

(c) communications issued by the distribution agents shall only be for the purposes outlined above and shall: (i) not mention DirectCash unless legally required; and (ii) otherwise be acceptable to DirectCash, acting reasonably; and

(d) any distribution agents retained by Harrison Pensa LLP, Bennett Mounteer LLP, or Cuming Gillespie LLP shall provide a written acknowledgement to DirectCash that they are bound by the provisions set forth in this paragraph.

6. TERMINATION OF AGREEMENTS

The Parties acknowledge and agree that the Agreements have been terminated effective July 28, 2015 for the sole purpose of calculating damages owing by Cash Store in favour of DirectCash, all of which amounts are included in the consideration exchanged hereunder.

Other than the Settlement Amount, no payments shall be made by any party in respect of the termination of the Agreements.

7. PLAN OF ARRANGEMENT

(a) DirectCash Release

In consideration of the payment of the Settlement Amount, Cash Store will obtain Court and stakeholder approval of a Plan that provides for a release in favour of DirectCash, pursuant to the Plan and the Sanction Order, in substantially the following form:

> At the Effective Time, (i) all DirectCash Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished against each of the DirectCash Releasees, (ii) section [●] [which shall be the injunction described below] shall apply to the DirectCash Releasees, and (iii) each of the Class Action Plaintiffs and Cash Store shall also release the DirectCash Releasees from any DirectCash Claims that has been

or could be asserted by any of them (such releases and injunctions as they apply to the DirectCash Releasees, the "DirectCash Release");

The Plan shall, for the purposes of the DirectCash Release, contain definitions in substantially the following form:

"DirectCash Releasees" means DirectCash and all of its present and former shareholders, parents, partners, partnerships, subsidiaries, affiliates and predecessors and each of their present and former directors, officers, servants, agents, employees, insurers, contractors, consultants and each of the successors and assigns of any of the foregoing.

"DirectCash Claims" means any right or claim of any person (including, without limitation, the Class Action Plaintiffs, Cash Store and any claims that could be brought on behalf of Cash Store by the Monitor, the Chief Restructuring Officer or any other representative of Cash Store, and affiliates of Cash Store (including, without limitation, The Cash Store Financial Limited (06773351), CSF Insurance Services Limited, The Cash Store Limited (06773354), The Cash Store Financial Corporation, The Cash Store Australia Holdings Inc. and The Cash Store Pty Ltd. (Acn107205612)), that may be asserted or made in whole or in part against any DirectCash Releasee, in any way relating to that person's relationship, business, affairs or dealings with Cash Store or DirectCash in respect of Cash Store, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty), or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, indemnity, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the breach, termination, disclaimer, restation, assignment or repudiation of any contract, lease, cardholder agreement, service agreement, account agreement , or other agreement with Cash Store and/or its customers, whether written or oral, any claim made or asserted through any affiliate, subsidiary, associated or related person, or any right or ability of any person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including the Ontario Class Action, the Western Canada Class Actions and any other class action or any proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including any security interest, charge, mortgage, deemed trust, constructive trust or other encumbrance in connection with any of the foregoing, provided however that, notwithstanding anything else in the Plan, none of the DirectCash Releasees shall be released pursuant to the Plan and/or the Sanction Order in respect of any claim by any person that is commenced with leave of the Court and 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 a DirectCash director, officer or employee when such director, officer, or employee had actual knowledge that the misrepresentation was false (any such claim being a "Non-Released Claim");

With respect to the reference to the Injunction in paragraph (a) above:

"Injunction" means the provision of the Plan that provides substantially as follows:

All persons are permanently and forever barred, stopped, stayed and enjoined, on and after the Effective Time, with respect to any and all DirectCash Claims by any such persons, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any

judicial, arbitral, administrative or other forum) against the DirectCash Releasees; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the DirectCash Releasees or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or fiduciary duty or under the provisions of any statute or regulation, or any proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in any judicial, arbitral, administrative or other forum) against any person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against the DirectCash Releasees or their property; or (iv) taking any action to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan or any obligations that are contemplated as surviving the Effective Date of this Plan.

With respect to the reference to "Effective Date" and "Effective Time" in the foregoing, these terms shall mean the date and time on which the Plan becomes effective.

With respect to the reference to "Class Actions" in the foregoing, this term shall be broadly defined to include the Ontario Class Action, the Western Canada Class Actions and any other class action that: (i) has already been commenced in respect of Cash Store naming DirectCash, (ii) has already been commenced in respect of DirectCash and not naming Cash Store in relation to the business of Cash Store and/or the DirectCash products offered by Cash Store or DirectCash in respect of Cash Store, and (iii) involves any future class action that may be (or may be purported to be) commenced in respect of the foregoing but such definition shall not include any claims made in the Ontario Class Action, the Western Canada Class Actions or any other class action in respect of Cash Store (except to the extent of any claims against the DirectCash Releasees in any such actions) unless otherwise agreed among Cash Store and the Class Action Plaintiffs.

Notwithstanding that the Plan and/or the Sanction Order will not provide a release of any Non-Released Claims, each of the Cash Store and the Class Action Plaintiffs hereby agrees that, subject to and as of the Effective Date, each of the Cash Store and the Class Action Plaintiffs shall have, and shall be deemed to have, hereby released all of the DirectCash Releasees of and from any and all Non-Released Claims and that, following the Effective Date, none of the Cash Store or any of the Class Action Plaintiffs shall have any ability to pursue a Non-Released Claim against any of the DirectCash Releasees.

(b) Cash Store Release

The Plan shall also provide that, from and after the Effective Time of the Plan, Cash Store and all of its present and former shareholders, parents, partners, partnerships, subsidiaries, affiliates and predecessors and each of their present and former directors, officers, servants, agents, employees, insurers, contractors, consultants and each of the successors and assigns of any of the foregoing shall be released from any and all claims that DirectCash has asserted or could assert against any of the foregoing, and that Direct Cash all of its present and former shareholders, parents, partners, partnerships, subsidiaries, affiliates and predecessors and each of their present and former directors, officers, servants, agents, employees, insurers, contractors, consultants and each of the successors and assigns of any of the foregoing, shall be enjoined from pursuing any such claims from and after the Effective Time of the Plan.

8. SUPPORT FOR THE PLAN

The Parties hereto all covenant and agree to:

(a) support Cash Store in obtaining as promptly as practicable Court approval of this Settlement Agreement, the Plan and the Sanction Order, and any Class Action Approval Orders, as and to the extent that the Plan, the Sanction Order and any Class Action Approval Orders concern the matters set forth in this Settlement Agreement and the settlements contemplated hereby;

(b) execute any and all documents and perform any and all acts required by this Settlement Agreement and the settlement contemplated herein, including any consent, approval or waiver requested by Cash Store, acting reasonably;

(c) oppose any action by any party that could interfere with, delay or impede the implementation of this Settlement Agreement, the Plan, or the granting and implementation of the Sanction Order or any other Class Action Approval Orders, as and to the extent that any such actions concern matters set forth in this Settlement Agreement and the settlements contemplated hereby; and

(d) not take any actions or fail to take any actions that would be, in either case, inconsistent with this Settlement Agreement or the settlement contemplated herein or which would or be reasonably expected to interfere with, delay or impede (i) the implementation of this Settlement Agreement or the Plan, or (ii) the granting and implementation of the Sanction Order or any other Class Action Approval Orders, as and to the extent that any such actions concern matters set forth in this Settlement Agreement and the settlements contemplated hereby.

9. FURTHER ASSURANCES

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the settlement and transactions contemplated by this Settlement Agreement and each party shall provide such further documents or instruments required by any other party as may be reasonably necessary or desirable to effect the purpose of this Settlement Agreement and carry out its provisions.

10. MISCELLANEOUS

(a) Currency - All dollar amounts expressed herein are in Canadian dollars except as specifically noted otherwise.

(b) Headings – Headings of sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Settlement Agreement.

(c) Including – Where the word "including" or "includes" is used in this Settlement Agreement, it means "including (or includes) without limitation"

(d) Number and Gender – Unless the context requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(e) Severability – If, in any jurisdiction, any provision of this Settlement Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Settlement Agreement and without affecting the validity of enforceability of such provision in any other jurisdiction or without affecting its application to any other party or circumstance;

(f) Time – Time is of the essence in the performance of the parties' respective obligations.

11. COUNTERPARTS

This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement. Delivery of an executed original counterpart of a signature page of this Settlement Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually executed original counterpart of this Settlement Agreement.

12. ENTIRE AGREEMENT

This Settlement Agreement constitutes the entire agreement between the parties with respect to the matter herein. The execution of this Settlement Agreement has not been induced by, nor do any of the parties rely upon or regard as material, any representations, promises, agreements or statements whatsoever not incorporated herein and made a part hereof.

13. GOVERNING LAW

This Settlement Agreement shall be governed by, and will be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario. The parties hereby attorn to the jurisdiction of the Superior Court of Justice in the Province of Ontario, in the CCAA proceeding, in respect of any dispute arising from this Settlement Agreement.

14. AMENDMENT

No amendment, supplement, modification or waiver or termination of this Settlement Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the party to be bound thereby.

15. EXPENSES

Each of the parties shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred in connection with this Settlement Agreement and its implementation.

16. CHIEF RESTRUCTURING OFFICER

It is acknowledged by DirectCash that the Chief Restructuring Officer shall have no personal liability whatsoever for the execution of this Settlement Agreement, any matter contained in this Settlement Agreement or any of the covenants or provisions contained herein; provided however that the Chief Restructuring Officer shall exercise the powers granted to the Chief Restructuring Officer under the Initial

Order to cause Cash Store to perform Cash Store's obligations under this Settlement Agreement and the Chief Restructuring Officer shall be bound by the DirectCash Release at the Effective Time of the Plan.

17. MONITOR'S CAPACITY

The parties acknowledge and agree that the Monitor, acting in its capacity as the Monitor of Cash Store in the CCAA Proceedings, will have no liability in connection with this Settlement Agreement (including in relation to any information or data provided by the Monitor in connection with this Settlement Agreement) whatsoever in its capacity as Monitor, in its personal capacity or otherwise; provided however that the Monitor shall exercise the powers granted to the Monitor under the Initial Order to perform the Monitor's obligations in respect of this Settlement Agreement and the Monitor shall be bound by the DirectCash Release at the Effective Time of the Plan.

[Remainder of Page Intentionally Left Blank]

IN WITNESS OF WHICH the parties have executed this Settlement Agreement.

1511419 ONTARIO INC., formerly known as THE CASH STORE FINANCIAL SERVICE INC.

By: _____

Name: William E. Aziz
Title: Chief Restructuring Officer

1545688 ALBERTA INC., formerly known as THE CASH STORE INC.

By: _____

Name: William E. Aziz
Title: Chief Restructuring Officer

1152919 ALBERTA INC, formerly known as INSTALOANS INC.

By: _____

Name: William E. Aziz
Title: Chief Restructuring Officer

5515433 MANITOBA INC.

By: _____

Name: William E. Aziz
Title: Chief Restructuring Officer

986301 ALBERTA INC., formerly known as TCS CASH STORE INC.

By: _____

Name: William E. Aziz
Title: Chief Restructuring Officer

7252331 CANADA INC.

By: _____

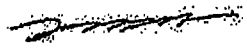
Name: William E. Aziz
Title: Chief Restructuring Officer

1693926 ALBERTA LTD.

By: William E. Aziz

Name: William E. Aziz
Title: Chief Restructuring Officer

DIRECTCASH PAYMENTS INC.

By: 

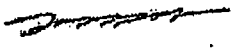
Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH MANAGEMENT INC. (in its own capacity and as general partner of the following three partnerships)

By: 

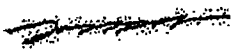
Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH ATM PROCESSING PARTNERSHIP by its general managing partner DIRECTCASH MANAGEMENT INC.

By: 

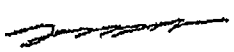
Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH ATM MANAGEMENT PARTNERSHIP by its general managing partner DIRECTCASH MANAGEMENT INC.

By: 

Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH CANADA LIMITED PARTNERSHIP by its general managing partner DIRECTCASH MANAGEMENT INC.

By: 

Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH BANK

By:

Name: Jeffrey Smith
Title: CEO

DIRECTCASH ACQUISITION CORP.

By:

Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH MANAGEMENT UK LTD.

By:

Name: Jeffrey Smith
Title: President & CEO

DIRECTCASH MANAGEMENT AUSTRALIA PTY LTD.

By:

Name: Jeffrey Smith
Title: President & CEO

HARRISON PENSA LLP, on behalf of Timothy Yeoman

By: _____

Name: Jonathan Foreman
Title: Partner

KOSKIE MINSKY LLP, as agent for
Harrison Pensa LLP

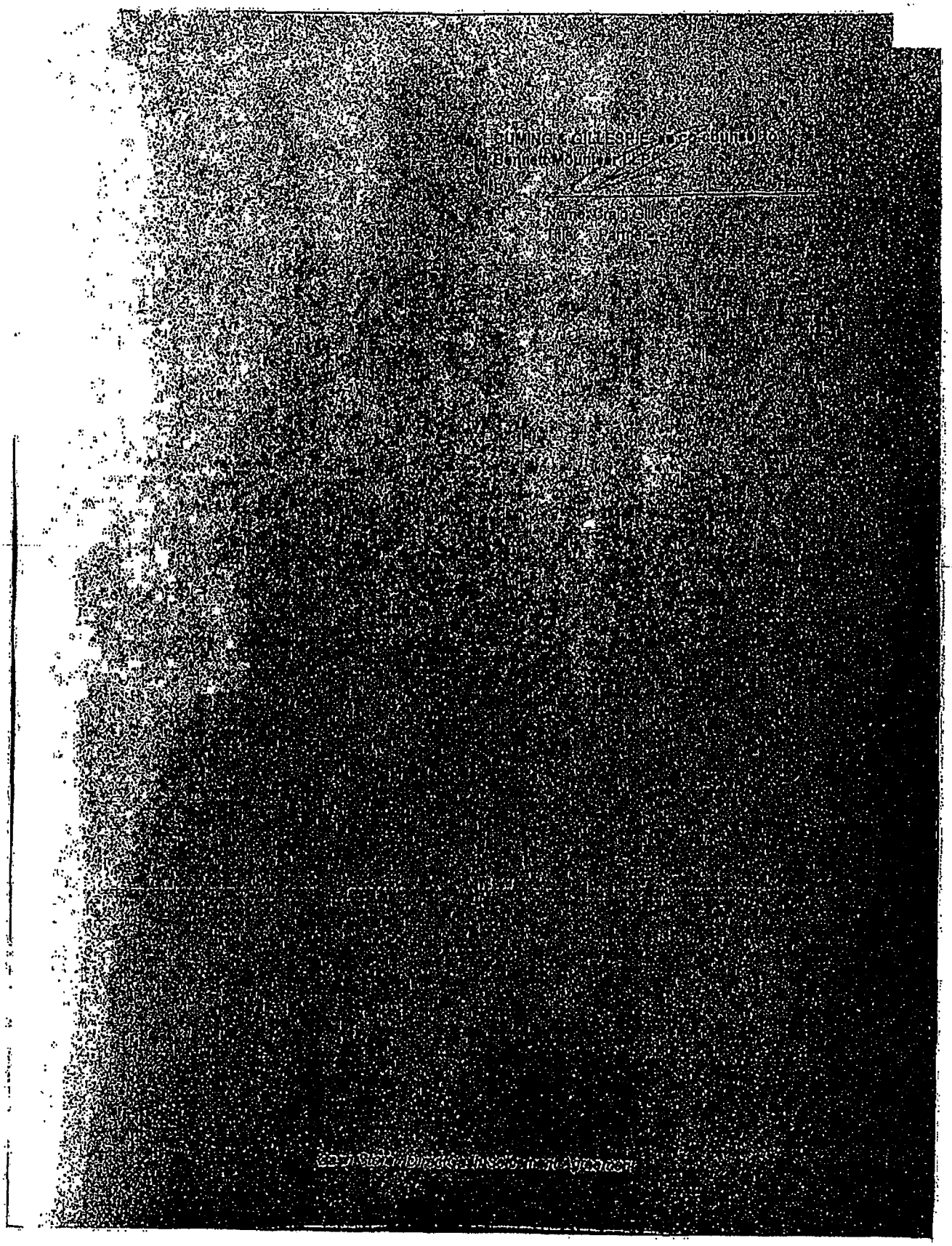
By: _____

Name: Andrew Hatnay
Title: Partner

BENNETT MOUNTEER LLP, on behalf of
Roberta Stewart, Kostas Efthimiou, John Ironbow,
and Scott Meeking and Sheri Rehil

By: _____

Name: Mark Mounteer
Title: Partner



SCHEDULE C

D&O/Insurer Global Settlement Agreement

Execution Version

IN THE MATTER OF
THE CASH STORE FINANCIAL SERVICES INC.

BETWEEN:

Globis Capital Partners, L.P., Globis Overseas Fund Ltd., David Fortier, Darren Hughes, Marianne Dessis, Jean-Jacques Fournier and any other proposed representative plaintiffs in Ontario Superior Court Action No. CV-13-481943-00CP (the "Fortier Action"), Alberta Queen's Bench Action 1303 07837 (the "Hughes Action"), Québec Superior Court Action No. 200-06-000165-137 (the "Dessis Action"), Southern District of New York Action No. 13 Civ. 3385 (VM) (the "Globis Action") in their personal and proposed representative capacities (collectively, the "Securities Class Actions" and the "Securities Class Action Plaintiffs")

- and -

Timothy Yeoman and any other proposed representative plaintiffs in Ontario Superior Court Action No. 7908/12 CP and/or Ontario Superior Court Action No. 4171/14 in their personal and proposed representative capacities (together, the "Yeoman Action" and the "Ontario Consumer Class Action Plaintiff")

- and -

Andrew Bodnar, Roberta Stewart, Shaynne Tschritter, Kostas Efthimiou, John Ironbow and Scott Meeking, Sheri Rehill and any other representative plaintiffs in British Columbia Supreme Court Action No. 154924, British Columbia Supreme Court Action No. 041348, British Columbia Supreme Court Action No. 126361, Alberta Court of Queen's Bench Action No. 0301-16243, Alberta Court of Queen's Bench Action No. 1201-11816, Saskatchewan Court of Queen's Bench Action No. 1452 of 2012, Saskatchewan Court of Queen's Bench Action No. 1453 of 2012, Manitoba Court of Queen's Bench Action No. CI 12-01-80578 and Manitoba Court of Queen's Bench Action No. CI 110-01-66061 in their personal and proposed representative capacities (collectively, the "Western Canada Actions" and the "Western Canada Consumer Class Action Plaintiffs")

- and -

William Aziz, solely in his capacity as the court-appointed Chief Restructuring Officer (the "CRO") of 1511419 Ontario Inc., formerly known as The Cash Store Financial Services Inc. ("Cash Store") and Cash Store's affiliates and subsidiaries

- and -

Cash Store, Nancy Bland, Gordon J. Reykdal, Craig Warnock, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, William Dunn, Edward McClelland, Robert Gibson, Barret Reykdal, S. William Johnson, Michael J.L. Thompson and Halldor Kristjansson (collectively, the "Defendants")

-and-

424187 Alberta Ltd. ("424")

SETTLEMENT AGREEMENT

(made as of this the 22nd day of September, 2015)

1. This Settlement Agreement between the Parties (the "**Settlement Agreement**") is to resolve, in accordance with the terms more particularly set out herein, the Claims (as defined in paragraph 9 herein), howsoever arising and in all jurisdictions, including Canada and the United States, and to provide the Release (as defined in paragraph 9 herein) in favour of the Released Parties (as defined in paragraph 9 herein) on the terms and conditions set forth herein.

2. The Defendants and 424 make no admissions of liability and waive no defences available to them with respect to the Claims (as defined in paragraph 9 herein) or otherwise.

3. It is the intention of the Parties that this Settlement Agreement shall be:

   a. approved by an order of the supervising judge in the *Companies' Creditors Arrangement Act* ("**CCAA**") proceeding bearing Court File No. CV-14-10518-00CL (the "**CCAA Proceeding**"), who is also designated to hear the settlement approval motions in the Fortier Action and the Yeoman Action under the *Class Proceedings Act, 1992* (the "**Court**"), which orders shall be submitted to the Court in form and substance acceptable to counsel to the Defendants and 424, each acting reasonably (the "**Fortier Settlement Approval Order**" and the "**Yeoman Settlement Approval Order**");

   b. approved by an order of the class action court overseeing the Western Canada Consumer Class Actions, which order shall be submitted to the court in form and substance acceptable to counsel to the Defendants and 424, each acting reasonably (the "**Western Canada Settlement Approval Order**"); and

   c. implemented through a Plan of Compromise and Arrangement in respect of Cash Store under the CCAA, which Plan will be presented to the Court substantially in the form attached hereto at **Schedule B** (the "**Plan**"), for sanction by the Court pursuant to an order of the Court, which shall be submitted to the Court in form and substance acceptable to counsel the Defendants and 424, each acting reasonably (the "**Sanction Order**").

4. It is also the intention of the parties:

   a. to seek recognition and enforcement of the Sanction Order by an order of the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**") under Chapter 15 of the United States *Bankruptcy Code*, to be submitted to the U.S. Court in form and substance acceptable to counsel to the Defendants (the "**Recognition Order**");

b. to obtain a stipulation of dismissal of the Globis Action with prejudice and without costs by the United States District Court for the Southern District of New York (the "U.S. District Court"), pursuant to an order to be submitted to the U.S. District Court in form and substance acceptable to counsel to the Defendants (the "New York Order", together with the Recognition Order, the "U.S. Orders");

c. to obtain an order of the Superior Court of Québec (the "Quebec Court") approving the discontinuance of the Dessis Action, pursuant to an order to be submitted to the Quebec Court in form and substance acceptable to counsel to the Defendants (the "Québec Order"); and

d. to obtain an order of the Alberta Court of Queen's Bench (the "Alberta Court") approving the discontinuance of the Hughes Action, pursuant to an order to be submitted to the Alberta Court in form and substance acceptable to counsel to the Defendants (the "Alberta Order").

5. For purposes of this Settlement Agreement:

a. the Securities Class Action Plaintiffs, the Ontario Consumer Class Action Plaintiff, the Western Canada Consumer Class Action Plaintiffs and the CRO, on behalf of Cash Store as a plaintiff, are collectively referred to herein as the "Claimants";

b. the Claimants, 424 and the Defendants are collectively referred to herein as the "Parties"; and

c. the present or former directors and officers of Cash Store or its affiliates or subsidiaries are collectively referred to herein as the "D&O Defendants".

Payment of Settlement Amount, Cancellation of 424 Debt and Other Consideration

6. A settlement amount of CDN $19,033,333 (the "Settlement Amount") shall be paid by the D&O Defendants in accordance with the terms hereof and the Plan, and shall be released to the Claimants in accordance with the terms hereof and the Plan, when all conditions precedent set out in paragraph 36 herein and the Plan have been satisfied or waived (the "Effective Date").

7. The CDN $2,000,000 face value of debt under the November 29, 2013 Credit Agreement of Cash Store (the "First Lien Notes") held by 424 (the "424 Debt") shall be cancelled, such cancellation not to be effective until all conditions precedent set out in paragraph 36 herein and the Plan have been satisfied or waived. Interest shall be payable on the 424 Debt to the date of cancellation, without prejudice to the right of Cash Store to seek an order from the Court to suspend or cancel future interest payments to all holders of the First Lien Notes. The parties agree that 424 will continue to receive interest on the 424 Debt unless and until a final order is made by the Court determining that no holder of the First Lien Notes is entitled to further interest payments.

8. The payment of the Settlement Amount, the release of the claims described in paragraphs 10 and 47 hereof, the cancellation of the 424 Debt, and the payment of certain implementation costs by the D&O Defendants, represent the full contribution or payment of any kind to be made

by the D&O Defendants and 424 in settlement of the Claims, inclusive of interest, legal fees, disbursements and taxes (including GST, HST, or any other taxes which may be payable in respect of this settlement), any costs associated with the distribution of the Settlement Amount, all costs of any necessary notice in connection with the settlement, all costs associated with the implementation and administration of the settlement and any other monetary costs or amounts associated with this Settlement Agreement or otherwise, except as otherwise expressly provided for herein.

Release of Claims and Bar Order

9. As of the Effective Date, the Claimants, on behalf of themselves and their respective subsidiaries, affiliates and related companies and current and former partners, associates, employees, directors, officers and insurers, and in the case of Cash Store, of all current directors, officers and employees of Cash Store, including the CRO, and the heirs, administrators, executors, successors and assigns of each, and on behalf of any person (as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended to the date hereof, "Person") who claims a right or interest through the Claimants or any of them, (collectively, the "Releasors") shall hereby fully, finally and forever release, remise, acquit and forever discharge, without qualification or limitation, the Defendants, 424, and their respective past, present and future subsidiaries, affiliates and related companies, partners, associates, employees, directors, officers, insurers, family members, heirs, administrators, executors, successors and assigns (collectively, the "Released Parties" which, for greater certainty, include all of the D&O Defendants) separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent, that have been or that could have been asserted by any of the Releasors through to the date of this Settlement Agreement (including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over that could be asserted by any of the Releasors on or after the date hereof based on events occurring prior to and through to the date hereof and including any allegation of breach of duty and/or fraud or fraudulent misrepresentation by the Released Parties) against the Released Parties, or any of them, arising out of, in connection with, or in any way related, directly or indirectly, to Cash Store and its affiliates and subsidiaries (collectively, the "Claims"), including, but not limited to, all claims raised or which could have been raised in the actions listed in Schedule A hereto (the "Actions"); provided that, notwithstanding anything else in this paragraph, none of the D&O Defendants shall be released under this Settlement Agreement or the Plan for or from any Claim, commenced with leave of the Court, by any Person (other than the Claimants):

a. in respect of a claim that cannot be released under section 5.1(2) of the CCAA or section 19(2) of the CCAA;

b. 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&O Defendants, or any of them, where such D&O Defendant had actual knowledge that the misrepresentation was false; or

c. who is a third party lender to Cash Store, solely in its capacity as a third party lender to Cash Store, unless the Claimants or any of them have (as in the case of 0678786 B.C. Ltd., formerly c.o.b. as McCann Family Holding Corporation), or may hereafter enter into, a settlement with such third party lender under or in connection with the Plan or the matters giving rise to it;

(the "Release" and the non-released claims listed in 9.a., 9.b. and 9.c. above being, the "Non-Released Claims").

10. As of the Effective Date, the Defendants and 424, on behalf of themselves and their respective subsidiaries, affiliates and related companies and current and former partners, associates, employees, directors, officers, insurers and the heirs, administrators, executors, predecessors, successors and assigns of each, and on behalf of any Person who claims a right or interest through them, (the "Defendant Releasors"), shall hereby fully, completely, finally and forever release, remise, acquit and forever discharge, without qualification or limitation, the named plaintiffs in each of the Securities Class Actions, the Yeoman Action and the Western Canada Actions, and their respective counsel (collectively, the "Released Claimant Parties"), separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, liabilities, allegations, causes of action, counterclaims or demands whatsoever, whether known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent, that have been or that could have been asserted by any of the Defendant Releasors through to the date of this Settlement Agreement (including, without limitation, any claim for contribution, indemnification, reimbursement or any other forms of claims over that could be asserted by any of the Defendant Releasors on or after the date hereof based on events occurring prior to and through to the date hereof) against the Released Claimant Parties, or any of them, arising out of, in connection with, or in any way related, directly or indirectly, to Cash Store, its affiliates and subsidiaries, or the prosecution, defense or settlement of the actions set out at Schedule A hereto, (collectively, the "Defendants' Claims" and the "Defendants' Release"). As of the Effective Date, the Defendant Releasors will be forever barred and enjoined from prosecuting the Defendants' Claims against the Released Claimant Parties or any other Person who may claim any form of indemnity or contribution from any of the Released Claimant Parties in respect of any Defendants' Claims or any matter related thereto.

11. Without limiting the generality of paragraphs 9 and 10 above, the Releasors and Defendant Releasors acknowledge that the intent of the Release and the Defendant's Release is to conclude all issues arising from the Claims and Defendants' Claims and it is understood and agreed that this Settlement Agreement is intended to release, and does release, as of the Effective Date, not only all known actions, causes of action, claims and demands for damages, indemnity, costs, interest and loss or injury in respect of any Claims and Defendants' Claims, but all actions, causes of action, claims and demands for damages, indemnity, costs, interest and loss or injury not now known or anticipated but which may later develop or be discovered in respect of any Claims and Defendants' Claims, including all the effects and consequences thereof, other than any Non-Released Claims.

12. As of the Effective Date, the Releasors' recovery from any person against whom the Releasors, or any of them, pursue a Claim for damages (a "Third Party Defendant") and with

whom the Released Parties, or any of them, are judicially determined to be jointly and severally liable to the Releasors, or any of them, for damages, will be limited to the Third Party Defendant's several and proportionate share of liability, as determined by the Court, provided that the Third Party Defendant successfully proves a claim for contribution and indemnity from the Released Parties in respect of the Releasors' claim against the Third Party Defendant.

13. Prior to the Effective Date, Cash Store will formally amend in a fashion satisfactory to counsel for the Defendants and 424, each acting reasonably, any Statements of Claim in existing actions that will continue after the Effective Date, including but not limited to actions in the Ontario Superior Court Justice (Commercial List) bearing Court File Nos. CV-14-10770-00CL, CV-14-10771-00CL, CV-14-10773-CL and CV-14-10774-CL (the "Cash Store Amendments"), to provide that, to the extent the Third Party Defendants (or any of them) successfully prove a claim against the D&O Defendants or any of them and are judicially determined to be jointly and severally liable with such D&O Defendant to Cash Store for damages, Cash Store will limit its recovery from such Third Party Defendant to their several liability in accordance with paragraph 12 above. Nothing in this provision or in the proposed amendments to the existing Statements of Claim will limit Cash Store's recovery of full damages on a joint and several basis from any of the Third Party Defendants as between the Third Party Defendants themselves. As of the Effective Date, any future action commenced by Cash Store shall be similarly limited to the portion of any damages that corresponds to the proportionate share of liability of the Third Party Defendants, provided that the necessary preconditions set out above are met.

14. Prior to the Effective Date, Cash Store will formally abandon, discontinue and/or dismiss with prejudice its claims against Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4 and Trimor Annuity Focus Limited Partnership #6 and 0678786 B.C. Ltd. (formerly o.a.b. as McCann Family Holding Corporation) in the Ontario Superior Court of Justice (Commercial List) action bearing Court File No. CV-14-10770-00CL.

15. Prior to the Effective Date, the Ontario Consumer Class Action Plaintiff in the Yeoman Action will bring a motion to the Court for one or more orders (the "Yeoman Amendment Orders") approving the amendment, in a fashion satisfactory to counsel for the Defendants and 424, each acting reasonably, of any Statements of Claim in existing actions that will continue after the Effective Date, including but not limited to actions in the Ontario Superior Court Justice bearing Court File Nos. 7908/12 CP and 4172/14, to provide that, to the extent the Third Party Defendants (or any of them) successfully prove a claim against the D&O Defendants (or any of them) and are judicially determined to be jointly and severally liable with such D&O Defendant to the Ontario Consumer Class Action Plaintiff in the Yeoman Action for damages, the Ontario Consumer Class Action Plaintiff in the Yeoman Action will limit its recovery from such Third Party Defendants to their several liability in accordance with paragraph 12 above. Nothing in this provision or in the proposed amendments to the existing Statements of Claim will limit the Ontario Consumer Class Action Plaintiff's recovery in the Yeoman Action of full damages on a joint and several basis from any Third Party Defendant as between the Third Party Defendants themselves. As of the Effective Date, any future action commenced by the Ontario Consumer Class Action Plaintiff shall be similarly limited to the portion of any damages that corresponds to

the proportionate share of liability of the Third Party Defendants, provided that the necessary preconditions set out above are met.

16. Prior to the Effective Date, the Western Canada Consumer Class Action Plaintiff in the Western Canada Actions will bring a motion to the supervising court(s) for one or more orders (the "Western Canada Amendment Orders") approving the amendment, in a fashion satisfactory to counsel for the Defendants and 424, each acting reasonably, of any Statements of Claim in any of the Western Canada Actions that will continue after the Effective Date, to provide that, to the extent the Third Party Defendants (or any of them) successfully prove a claim against the D&O Defendants (or any of them) and are judicially determined to be jointly and severally liable with such D&O Defendant to the Western Canada Consumer Class Action Plaintiffs in the Western Canada Actions for damages, the Western Canada Consumer Class Action Plaintiffs in the Western Canada Actions will limit their recovery from such Third Party Defendants to their several liability in accordance with paragraph 12 above. Nothing in this provision or in the proposed amendments to the existing Statements of Claim will limit the Western Consumer Class Action Plaintiffs' recovery in the Western Canada Actions of full damages on a joint and several basis from any Third Party Defendant as between the Third Party Defendants themselves. As of the Effective Date, any future action commenced by the Western Consumer Class Action Plaintiffs shall be similarly limited to the portion of any damages that corresponds to the proportionate share of liability of the Third Party Defendants, provided that the necessary preconditions set out above are met.

17. As soon as practicable following the Effective Date, the Ontario Consumer Class Action Plaintiff in the Yeoman Action will bring motions to the Court for an order (the "Yeoman TPL Order") approving the abandonment, discontinuance and/or dismissal with prejudice of the claims against 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 and 0678786 B.C. Ltd. (formerly o.a.b. as McCann Family Holding Corporation) in the Ontario Superior Court of Justice action bearing Court File No. 4172/14.

18. It is the intention of the Parties that this Settlement Agreement and the terms of the Fortier Settlement Approval Order, the Yeoman Settlement Approval Order, the U.S. Orders, the Plan and the Sanction Order will provide the Release and related claims bar orders in favour of the Released Parties and will satisfy and extinguish any and all Claims howsoever arising (other than Non-Released Claims), without opt-outs.

19. Pending the Effective Date, and subject to the occurrence of the Effective Date, no further proceedings shall be commenced or continued by the Releasors, or any of them, or the Monitor against the Released Parties, or any of them, directly or indirectly, in respect of any Claims.

The Orders

20. The Parties shall seek to have the supervising justice in the CCAA Proceeding designated to hear the motion for approval of the settlement of the Fortier Action and the Yeoman Action pursuant to both the CCAA and the *Class Proceedings Act, 1992*.

Fortier

21. Contemporaneously with the CRO's motion for entry of a Meeting Order in the CCAA proceedings in respect of the Plan, which is currently scheduled to be heard on September 30, 2015, the Ontario Securities Class Action Plaintiff in the Fortier Action shall bring a motion to the Court, supported by the Defendants in the Fortier Action, for an order approving a notice program regarding the hearing to approve the settlement (the "Fortier Notice Program") as follows:

a. notice to the Service List in the CCAA Proceeding, in the manner agreed upon to constitute notice for the purpose of the CCAA Proceeding;

b. reasonable notice to those against whom the Release and related bar provisions are to be effective; and

c. notice to the prospective class members in accordance with the notice plan approved by the Court in connection with the Fortier Action.

22. Regardless of their obligations under paragraph 21 above, the Parties shall abide by the Fortier Notice Program ordered by the Court and the failure to obtain an order on the terms set out in paragraph 21 above shall not be a basis to terminate the settlement.

23. Contemporaneously with the CRO's motion to the Court for the entry of the Sanction Order, the Securities Class Action Plaintiffs in the Fortier Action shall bring a motion to the Court for the entry of the Fortier Settlement Approval Order.

Yeoman

24. Contemporaneously with the CRO's motion for entry of a Meeting Order in the CCAA proceedings in respect of the Plan, which is currently scheduled to be heard on September 30, 2015, the Ontario Consumer Class Action Plaintiff in the Yeoman Action shall bring a motion to the Court, supported by the Defendants in the Yeoman Action, for an order approving a notice program regarding the hearing to approve the settlement (the "Yeoman Notice Program") as follows:

a. notice to the Service List in the CCAA Proceeding, in the manner agreed upon to constitute notice for the purpose of the CCAA Proceeding;

b. reasonable notice to those against whom the Release and related bar provisions are to be effective; and

c. notice to the prospective class members in accordance with the notice plan approved by the Court in connection with the Yeoman Action.

25. Regardless of their obligations under paragraph 24 above, the Parties shall abide by the Yeoman Notice Program ordered by the Court and the failure to obtain an order on the terms set out in paragraph 24 above shall not be a basis to terminate the settlement.

26. Contemporaneously with the CRO's motion to the Court for the entry of the Sanction Order, the Plaintiffs in the Yeoman Action shall bring a motion to the Court for the entry of the Yeoman Settlement Approval Order.

Western Canada Class Actions

27. Within two weeks of the CRO's motion for entry of a Meeting Order in the CCAA proceedings in respect of the Plan, which is currently scheduled to be heard on September 30, 2015, the Western Canada Consumer Class Action Plaintiffs in the Western Canada Actions shall bring a motion to the Court, supported by the Defendants in the Western Canada Actions, for an order approving a notice program regarding the hearing to approve the settlement (the "Western Canada Notice Program") as follows:

a. notice to the Service List in the CCAA Proceeding, in the manner agreed upon to constitute notice for the purpose of the CCAA Proceeding;

b. reasonable notice to those against whom the Release and related bar provisions are to be effective; and

c. notice to the prospective class members in accordance with the notice plan approved by the supervising court in connection with the Western Canada Actions.

28. Regardless of their obligations under paragraph 27 above, the Parties shall abide by the Western Canada Notice Program ordered by the Court and the failure to obtain an order on the terms set out in paragraph 27 above shall not be a basis to terminate the settlement.

29. Contemporaneously with the CRO's motion to the Court for the entry of the Sanction Order, the Western Canada Consumer Class Action Plaintiffs in the Western Canada Actions shall bring a motion to the supervising court(s) for the entry of the Western Canada Settlement Approval Order.

30. The costs of the Fortier Notice Program, the Yeoman Notice Program and the Western Canada Notice Program (collectively, the "Notice Programs"), subject to a cap of CDN $200,000 in the aggregate, will be paid by the D&O Defendants within fifteen (15) days of the costs being incurred irrespective of whether this Settlement Agreement is approved by the Court or the U.S. Court. If the settlement is not approved, these costs will be non-refundable to the D&O Defendants. If the Settlement Agreement is approved as described herein, the amounts paid by the D&O Defendants in relation to the Notice Programs will be a credit to the payment the D&O Defendants are required to make in respect of the Settlement Amount. In the event that any costs of the Notice Programs are required to be credited to the D&O Defendants in respect of the Settlement Amount pursuant to this paragraph 30:

a. the costs incurred in respect of the Fortier Notice Program shall be a credit to the amounts owing in respect of the Securities Class Actions and CRO Actions, and shall be allocated between the recipients of those amounts in amounts corresponding to the relative proportions set out in paragraphs 39(a), (b), and (c);

b. the costs incurred in respect of the Yeoman Notice Program shall be a credit to the amount owing in respect of the Yeoman Action; and

c. the costs incurred in respect of the Western Canada Notice Program shall be a credit to the amount owing in respect of the Western Canada Actions.

31. The Parties shall use all commercially reasonable efforts to: (i) obtain and/or satisfy any court approval order, waiver, certificate, document, or agreement; (ii) provide necessary notice to affected individuals; and (iii) fulfill any other condition reasonably necessary for the implementation of the Release and the Plan.

US Orders

32. As soon as practicable in conjunction with the CRO's motion for entry of the Sanction Order, and in any event as soon as practicable following the entry of the Sanction Order, the Monitor shall seek the Recognition Order from the U.S. Court. Ken Coleman of Allen & Overy LLP shall be retained as U.S. counsel to the Monitor ("U.S. Counsel"), as foreign representative, for purposes of making the application for the Recognition Order.

33. As soon as practicable following the issuance of the Recognition Order (or the Sanction Order in the event that the Recognition Order is not granted due to a lack of jurisdictional basis), the lead plaintiffs in the Globis Action shall, by stipulation supported by the Defendants, seek the entry of the New York Order by the United States District Court for the Southern District of New York.

34. Fifty percent (50%) of the costs of U.S. Counsel (excluding any other costs or fees of the Monitor) to obtain the Recognition Order shall be paid by the D&O Defendants and fifty percent (50%) of such costs shall be paid by the CRO to be reimbursed from the Settlement Amount, subject to a total cap of CDN $250,000 (i.e. CDN $125,000 from the D&O Defendants and CDN $125,000 from the CRO). Any costs in excess of CDN $250,000 shall be borne solely by the D&O Defendants.

35. Any costs of the proceedings in the U.S. to obtain the Recognition Order that are paid from the Settlement Amount pursuant to paragraph 34 shall be allocated between the recipients of the Settlement Amount in amounts corresponding to the relative proportions set out in paragraph 39.

Conditions Precedent to Implementation of the Settlement

36. The settlement will become effective on the Effective Date when the following conditions precedent have been satisfied or waived by all of the D&O Defendants who are parties to this Settlement Agreement:

a. issuance of the Fortier Settlement Approval Order, the Yeoman Settlement Approval Order, the Western Canada Settlement Approval Order, the Sanction Order and the U.S. Orders, provided however that the settlement and the Effective Date shall not be conditional upon the issuance of the Recognition Order in the

event that the U.S. Court refuses to issue the Recognition Order due to a lack of jurisdiction;

b. issuance of the Québec Order;

c. issuance of the Alberta Order;

d. issuance by the Court of an order dismissing the Ontario Superior Court of Justice (Commercial List) action styled *The Cash Store Financial Services, Inc. v. Gordon Reykdal et al.*, and bearing Court File No. CV-14-10772-00CL (the "CRO Action") with prejudice and without costs, to be submitted to the Court in form and substance acceptable to counsel to the Defendants (the "CRO Dismissal Order");

e. issuance of the Yeoman Amendment Orders, the Yeoman TPL Order and the Western Canada Amendment Order;

f. the Fortier Settlement Approval Order, the Yeoman Settlement Approval Order, the Western Canada Settlement Approval Order and the Sanction Order shall have become final orders not subject to further appeal or challenge;

g. amendment by Cash Store of any Statements of Claim in existing actions as set out in paragraph 13 hereto;

h. abandonment, discontinuance and/or with prejudice dismissal of the Monitor's motion dated September 18, 2014 in the CCAA proceedings in respect of alleged transfers at undervalue;

i. abandonment, discontinuance and/or with prejudice dismissal of the claims against Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, Trimor Annuity Focus Limited Partnership #6 and 0678786 B.C. Ltd. (formerly o.o.b. as McCann Family Holding Corporation) in the Ontario Superior Court of Justice (Commercial List) action styled *The Cash Store Financial Services, Inc. v. Trimor Annuity Focus Limited Partnership et al.* and bearing Court File No. CV-14-10770-00CL;

j. each D&O Defendant who is a party to this Settlement Agreement shall have provided a sworn affidavit indicating that such Defendant is not a holder of any of the 11.5% Senior Secured Notes Due 2017 issued by the Cash Store pursuant to the Indenture dated as of January 31, 2012 (the "Second Lien Notes") and that no "related person" of that Defendant (as such term is defined in the *Income Tax Act*) is a holder of the Notes;

k. the D&O Defendants shall have paid the Settlement Amount in accordance with the terms hereof and the Plan; and

l. the conditions precedent to implementation of the Plan shall have been satisfied or waived in accordance with the terms of the Plan.

37. Subject to the parties executing a written extension addendum, if the conditions in paragraph 36 are not satisfied by June 30, 2016:

a. this Settlement Agreement shall terminate;

b. any issued Orders listed in paragraph 36 shall be null and void;

c. the Settlement Amount shall be returned by the Monitor to the D&O Defendants no later than five (5) Business Days after June 30, 2016 in accordance with wire transfer instructions to be provided to the Monitor no later than three (3) Business Days after June 30, 2016; and

d. all discussions, actions, undertakings and agreements by and between the Parties in respect of the negotiation, execution and attempted implementation of this Settlement Agreement shall be without prejudice to the positions of the Parties in the Actions and/or any subsequent proceedings between the Parties.

Implementation of the Settlement

38. The Settlement Amount shall be paid by the D&O Defendants into the "Monitor's Distribution Account" in accordance with the provisions of the Plan.

39. Subject to court approval and the terms of the Plan, the Settlement Amount shall be allocated as follows:

a. CDN $4,875,000 to shareholder class members in respect of the shareholder claims in the Securities Class Actions;

b. CDN $8,904,167 to noteholder class members in respect of the noteholder claims in the Securities Class Actions;

c. CDN $2,750,000 to the estate of Cash Store in respect of the CRO Action, to be distributed to the secured creditors of Cash Store in accordance with their priorities as set out under the terms of the Plan;

d. CDN $1,437,500 to members of the class in the Yeoman Action in respect of the claims in the Yeoman Action; and

e. CDN $1,066,666 to members of the class in the Western Canada Actions in respect of the claims in the Western Canada Actions.

40. The CDN $4,875,000 portion of the Settlement Amount allocated to the shareholder class members in respect of the shareholder claims in the Securities Class Actions and the CDN $8,904,167 portion of the Settlement Amount allocated to noteholder class members in respect of the noteholder claims in the Securities Class Actions (together, the "Securities Class Action

Settlement Amount") shall be distributed pursuant to a plan of allocation to be developed by Siskinds LLP, Kirby McInerney LLP, and Hoffner PLLC ("Securities Class Action Counsel") and approved by the court. No portion of the Securities Class Action Settlement Amount shall revert back to the Defendants, regardless of the quantity of claims filed or amount of funds remaining after all eligible claimants have been paid pursuant to the plan of allocation in respect of the Securities Class Action Settlement Amount.

41. The CDN $1,437,500 portion of the Settlement Amount allocated to the consumer loan class members of the class in the Yeoman Action in respect of the claims in the Yeoman Action (the "Ontario Consumer Class Action Settlement Amount") shall be distributed pursuant to a plan of allocation to be developed by Harrison Pensa LLP ("Ontario Consumer Class Action Counsel") and approved by the court. No portion of the Ontario Consumer Class Action Settlement Amount shall revert back to the Defendants, regardless of the quantity of claims filed or amount of funds remaining after all eligible claimants have been paid pursuant to the plan of allocation in respect of the Ontario Consumer Class Action Settlement Amount.

42. The CDN $1,066,666 portion of the Settlement Amount allocated to the consumer loan class members of the class in the Western Class Actions in respect of the claims in the Western Class Actions (the "Western Canada Consumer Class Action Settlement Amount") shall be distributed pursuant to a plan of allocation to be developed by Bennett Mounteer LLP ("Western Canada Consumer Class Action Counsel") and approved by the court. No portion of the Western Consumer Class Action Settlement Amount shall revert back to the Defendants, regardless of the quantity of claims filed or amount of funds remaining after all eligible claimants have been paid pursuant to the plan of allocation in respect of the Western Canada Consumer Class Action Settlement Amount.

43. The Securities Class Action Plaintiffs and their undersigned counsel hereby acknowledge and agree that it is a term of this settlement that:

a. No class action counsel fees shall apply in respect of the cancellation of the 424 Debt;

b. No class action counsel fees shall apply to the CDN $2,750,000 of the Settlement Amount allocated to the D&O Estate Claim under paragraph 39;

c. Securities Class Action Counsel will seek approval of its fees and expenses by the Court on the following basis:

i. fees not to exceed more than 30% of the first CDN $9,450,000 of the Securities Class Action Settlement Amount; and

ii. fees not to exceed more than 15% of the remainder of the Securities Class Action Settlement Amount,

plus reimbursement for expenses and disbursements.

44. Subject to paragraph 43, Securities Class Action Counsel will seek court approval of the fees and disbursements, plus applicable taxes, of Securities Class Action Counsel (including

counsel to the plaintiffs in the Hughes Action and Dessis Action), Goodmans LLP (in the amount of CDN $276,573.32) The Analysis Group (in the amount of US $112,896.98) and Paul Hastings LLP (in the amount of US $22,825.00), as well as applicable costs of notice and administration of the settlement, plus applicable taxes, calculated in accordance with the terms hereof, to be paid as a first charge from the Securities Class Action Settlement Amount. The request for payment of such fees and disbursements does not form part of the Settlement Agreement and the Court shall be asked to consider the request for approval of those fees and disbursements separately, but contemporaneously, from its consideration of the fairness, reasonableness, and adequacy of the Settlement Agreement and Settlement Amount as a whole. The Defendants acknowledge that they are not parties to the motion concerning the approval of such fees and disbursements and that they will take no position or make any submissions to the court concerning such fee and disbursement requests.

45. Ontario Consumer Class Action Counsel will seek court approval of the fees and disbursements plus applicable taxes of Ontario Consumer Class Action Counsel, as well as applicable costs of notice and administration of the settlement plus applicable taxes, calculated in accordance with the terms hereof, to be paid as a first charge from the Ontario Consumer Class Action Settlement Amount. The request for payment of such fees and disbursements does not form part of the Settlement Agreement and the Court shall be asked to consider the request for approval of those fees and disbursements separately, but contemporaneously, from its consideration of the fairness, reasonableness, and adequacy of the Settlement Agreement and Settlement Amount as a whole. The Defendants acknowledge that they are not parties to the motion concerning the approval of such fees and disbursements and that they will take no position or make any submissions to the court concerning such fee and disbursement requests.

46. Western Consumer Class Action Counsel will seek court approval of the fees and disbursements plus applicable taxes of Western Consumer Class Action Counsel, as well as applicable costs of notice and administration of the settlement plus applicable taxes, calculated in accordance with the terms hereof, to be paid as a first charge from the Western Consumer Class Action Settlement Amount. The request for payment of such fees and disbursements does not form part of the Settlement Agreement and the court shall be asked to consider the request for approval of those fees and disbursements separately, but contemporaneously, from its consideration of the fairness, reasonableness, and adequacy of the Settlement Agreement and Settlement Amount as a whole. The Defendants acknowledge that they are not parties to the motion concerning the approval of such fees and disbursements and that they will take no position or make any submissions to the court concerning such fee and disbursement requests.

47. The D&O Defendants shall not directly or indirectly interfere with the progress of the CCAA Proceeding and, upon satisfaction of the conditions precedent to this settlement, shall release any claim of any kind whatsoever against Cash Store and its affiliates and subsidiaries, except for the claims identified in Schedule C hereto.

48. Subject to the claims listed in Schedule C hereto, the D&O Defendants shall, upon satisfaction of the conditions precedent to this settlement, forego any distribution of any kind, directly or indirectly, under the Plan, this settlement, or from Cash Store and its affiliates and subsidiaries, including on account of any shares or debt that may be held directly or indirectly by any D&O Defendant. Notwithstanding the foregoing, the D&O Defendants listed on Schedule C

hereto hereby acknowledge and agree that any claims they may have in respect of the matters listed on Schedule C hereto shall be subordinated to the distributions to be made under the Plan in respect of the DIP Credit Facility, the Senior Secured Credit Agreement and the Secured Note Indenture for the Secured Notes, as such terms are defined in the Plan.

49. The Claimants shall, following the Effective Date:

a. not publicize or comment in any way, whether privately or in public, regarding any allegations against or conduct of the D&O Defendants, or any of them, related to any Claims, and shall not express any negative views as to the actions of the D&O Defendants, or any of them, related to the Claims, except as required by law or with respect to the fact that Claims were made against the D&O Defendants;

b. not disparage the D&O Defendants, or any of them, in any way;

c. obtain the consent of the D&O Defendants, acting reasonably, with respect to any press release regarding the settlement herein; and

d. release any remaining non-competition covenants or fiduciary duties owed by the D&O Defendants by contract or at common law.

50. Except as set out in paragraphs 12, 13 and 14 above, nothing in this Agreement or in paragraph 49 above specifically, shall prevent: (i) Cash Store and the CRO or any Litigation Trustee appointed under the Plan and Sanction Order from continuing to make the allegations set out in the pleadings in the actions bearing Court File Nos. CV-14-10771-00CL, CV-14-10773-00CL, CV-14-10774-00CL, CV-15-531577 and CV-14-10770-00CL (as amended by the Cash Store Amendments), and such other allegations as may be properly pursued within those proceedings, or solely for purposes of those proceedings, so as to prosecute those proceedings to their conclusion, or (ii) the Ontario Consumer Class Action Plaintiff from continuing to make the allegations set out in the pleadings in the action bearing Court File No. 4172/4 (as amended by the Yeoman Amendment Orders and the Yeoman TPL Order), and such other allegations as may be properly pursued within that proceeding, or solely for purposes of that proceeding, so as to prosecute that proceeding to its conclusion.

51. The Parties will support the implementation of the terms of this Settlement Agreement in all actions and before all applicable courts and when communicating at any time and in any manner with all or part of the proposed classes. 424 will vote in favour of the Plan, which will cancel the 424 Debt for no consideration, other than the consideration provided for hereunder, at any creditors' meeting convened in respect of the First Lien Notes and the Plan.

General

52. In the event the Settlement Agreement is terminated, the Parties will be restored to their respective positions as at March 31, 2014.

53. The provisions of this Settlement Agreement are intended for the benefit all of the D&O Defendants, as and to the extent applicable in accordance with their terms, and shall be

enforceable by each of such Persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "Third Party Beneficiaries").

54. The Parties agree that time is of the essence in implementing this Settlement Agreement. In this regard, the Parties will use their commercially reasonable best efforts to implement and give effect to this Settlement Agreement in a timely and effective manner.

55. No amendment of this Settlement Agreement shall be binding unless executed in writing by the Parties to be bound thereby. No waiver of any provision of this Settlement Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any such waiver constitute a continuing waiver unless otherwise expressed to provide it.

56. This Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the jurisdiction of the Superior Court of Justice in the Province of Ontario, in the CCAA Proceeding, in respect of any dispute arising from this Settlement Agreement.

57. This Settlement Agreement may be signed in any number of counterparts, all of which together shall constitute one and the same instrument. This Settlement Agreement may be executed and delivered by fax transmission or by transmission in PDF or similar electronic document format.

SIGNATURE LINES ON NEXT PAGE

Signature page to Settlement Agreement

Date: September 23, 2015

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date: September 23, 2015

KIRBY McINERNEY LLP
HOFFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date:

BENNETT MOUNTEER LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date:

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date:

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
U.S. Lawyers for The Cash Store Financial Services Inc.

Date:

TORYS LLP
Lawyers for the Defendants, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, Robert Gibson and William Dunn

Signature page to Settlement Agreement

Date:

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date:

KIRBY McINERNEY LLP
HOFFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date: September 1, 2015

BENNETT MOUNTICOR LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date:

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date:

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Lawyers for the Ad Hoc Bondholder Group

Date:

GOODMANS LLP
Lawyers for the Directors, Ad Hoc Bondholder Group Members
and Certain Other Parties

Signature page to Settlement Agreement

Date:

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date:

KIRBY McINERNEY LLP
HOFFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date:

BENNETT MOUNTEER LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date: Sept. 22/2015

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date:

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
U.S. Lawyers for The Cash Store Financial Services Inc.

Date:

TORYS LLP
Lawyers for the Defendants, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, Robert Gibson and William Dunn

Date:

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date:

KIRBY McINERNEY LLP
HOEFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date:

BENNETT MOUNTEER LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date:

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date: Sept 23, 2015

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
U.S. Lawyers for The Cash Store Financial Services Inc.

Date:

TORYS LLP
Lawyers for the Defendants, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, Robert Gibson and William Dunn

Date:

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date:

KIRBY McINERNEY LLP
HOFFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date:

BENNETT MOUNTEER LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date:

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date:

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date: 9/23/2015

Richard A Rosen

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
U.S. Lawyers for The Cash Store Financial Services Inc.

Date:

TORYS LLP
Lawyers for the Defendants, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, Robert Gibson and William Dunn

Signature page to Settlement Agreement

Date:

SISKINDS LLP
Lawyers for the Canadian Securities Class Action Plaintiffs

Date:

KIRBY McINERNEY LLP
HOFFNER PLLC
Lawyers for the U.S. Securities Class Action Lead Plaintiffs

Date:

BENNETT MOUNTEER LLP
Lawyers for Western Canada Consumer Class Action Plaintiffs

Date:

HARRISON PENSA LLP
Lawyers for the Ontario Consumer Class Action Plaintiffs

Date:

OSLER, HOSKIN & HARCOURT LLP
Lawyers for the CRO

Date:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
U.S. Lawyers for The Cash Store Financial Services Inc.

Date:

TORYS LLP
Lawyers for the Defendants, J. Albert Mondor, Ron Chicoyne, Michael M. Shaw, Robert Gibson and William Dunn

Signature page to Settlement Agreement

Date: 23 Sept 2015

MILLER THOMSON LLP
Lawyers for 424187 Alberta Ltd

Date:

LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP
Lawyers for the Defendants, Gordon J. Reykdal and Edward McClelland

Date:

CRAWLEY MACKEWN BRUSH LLP
Lawyers for the Defendant, Craig Warnock

Date:

BARRET REYKDAL

Date:

S. WILLIAM JOHNSON

Date:

HALLDOR KRISTJANSSON

Date:

MILLER THOMSON LLP
Lawyers for 424187 Alberta Ltd

Date: Sept 23, 2015

LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP
Lawyers for the Defendants, Gordon J. Reykdal and Edward McClelland

Date:

CRAWLEY MACKEWN BRUSH LLP
Lawyers for the Defendant, Craig Warnock

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BARRET REYKDAL

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HALLDOR KRISTJANSSON

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Lawyers for 424187 Alberta Ltd

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LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP
Lawyers for the Defendants, Gordon J. Reykdal and Edward McClelland

Date: Sept 22/15

CRAWLEY MACKEWN BRUSH LLP
Lawyers for the Defendant, Craig Warnock

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BARRET REYKDAL

Date:

S. WILLIAM JOHNSON

Date:

HALLDOR KRISTJANSSON

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Lawyers for 424187 Alberta Ltd

Date:

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Date:

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Date: Sept 22/15

BARRET REYKDAL

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Date: Sept 22/15

HALLDOR KRISTJANSSON

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Date:

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Date:

CRAWLEY MACKEWN BRUSH LLP
Lawyers for the Defendant, Craig Warnock

Date:

BARRET REYKDAL

Date:

S. WILLIAM JOHNSON

Date:

HALLDOR KRISTJANSSON

Signature page to Settlement Agreement

Date: Sept 23/2015

BLAKE, CASSELS & GRAYDON LLP
Lawyers for the Defendants, Nancy Bland and Michael Thompson

SCHEDULE A

1. *Globis Capital Partners, L.P. v. The Cash Store Financial Services Inc. et al.*, Southern District of New York, Case 13 Civ. 3385 (VM)

2. *Fortier v. The Cash Store Financial Services, Inc. et al.*, Ontario Superior Court of Justice, Court File No. CV-13-481943-00CP

3. *Hughes v. The Cash Store Financial Services, Inc. et al.*, Alberta Court of Queen's Bench, Court File No. 1303 07837

4. *Dessis v. The Cash Store Financial Services, Inc. et al.*, Quebec Superior Court, No: 200-06-000165-137

5. *The Cash Store Financial Services, Inc. v. Gordon Reykdal et al.*, Ontario Superior Court of Justice, Court File No. CV-14-10772-00CL

6. *Timothy Yeoman v. Gordon J. Reykdal et al.*, Ontario Superior Court of Justice, Court File No. 4171/14

7. *Timothy Yeoman v. The Cash Store Financial Services Inc. et al.*, Ontario Superior Court of Justice, Court File No. 7908/12 CP

8. *Bodnar et al. v. The Cash Store Financial Services Inc. et al.*, Supreme Court of British Columbia, Vancouver Reg. No. S041348

9. *Stewart v. The Cash Store Financial Services Inc. et al.*, Supreme Court of British Columbia, Vancouver Reg. No. S154924

10. *Stewart v. The Cash Store Financial Services Inc. et al.*, Supreme Court of British Columbia, Vancouver Reg. No. S126361

11. *Tschritter et al. v. The Cash Store Financial Services Inc. et al.*, Alberta Court of Queen's Bench, Calgary Reg. No. 0301-16243

12. *Efthimiou v. The Cash Store Financial Services Inc. et al.*, Alberta Court of Queen's Bench, Calgary Reg. No. 1201-11816

13. *Meeking v. The Cash Store Financial Services Inc. et al.*, Manitoba Court of Queen's Bench, Winnipeg Reg. No. CI 10-01-66061

14. *Rehill v. The Cash Store Financial Services Inc. et al.*, Manitoba Court of Queen's Bench, Winnipeg Reg. No. CI 12-01-80578

15. *Ironbow v. The Cash Store Financial Services Inc. et al.*, Saskatchewan Court of Queen's Bench, Saskatoon Reg. No. 1452 of 2012

16. *Ironbow v. The Cash Store Financial Services Inc. et al.*, Saskatchewan Court of Queen's Bench, Saskatoon Reg. No. 1453 of 2012

SCHEDULE B

Form of Plan of Compromise and Arrangement

(omitted)

SCHEDULE C

CLAIMS NOT RELEASED BY D&O DEFENDANTS

1. Craig Warnock's claim (if any) for compensation in respect of any and all damages or losses he may have suffered arising from his employment by and termination from The Cash Store Financial Services Inc., which may include but not be limited to claims for compensation in respect of pay in lieu of notice of termination, severance pay and/or the loss of benefits or other entitlements, howsoever arising, whether common law or statutory.

2. Michael Thompson's claim (if any) for compensation in respect of any and all damages or losses he may have suffered arising from his employment by and termination from The Cash Store Financial Services Inc., which may include but not be limited to claims for compensation in respect of pay in lieu of notice of termination, severance pay and/or the loss of benefits or other entitlements, howsoever arising, whether common law or statutory.

SCHEDULE D

Plan of Allocation for Securities Class Action Distributions to Securities Class Action Class Members

Re Cash Store Financial Services
Court File No. CV-14-10518-00CL

and

Fortier v The Cash Store Financial Services Inc. et al
Court File No. CV-13-481943-00CP

PLAN OF ALLOCATION
Distribution of Class Compensation Fund to Class Members

1. The following definitions apply in this Plan of Allocation:

   a. **ACB** means the adjusted cost base per security for the purchase/acquisition of Eligible Securities, calculated as the purchase/acquisition price per Share or face amount of Notes, including any commissions paid in respect thereof.

   b. **Cash Store** means The Cash Store Financial Services, Inc.

   c. **Claim Form** means a written claim in the prescribed form seeking compensation from the Class Compensation Fund.

   d. **Claimant** means any person making a claim as purporting to be a Class Member or on or behalf of a Class Member, with proper authority (as determined by the Claims Administrator or Class Counsel).

   e. **Claims Administrator** means RicePoint Administration, Inc.

   f. **Class Compensation Fund** means the Class Settlement Amount less Class Counsel Fees, and all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of the settlement including costs, fees, and expenses of notice to class members, and the fees, disbursements and taxes paid to the Claims Administrator for administration of the Class Settlement Amount, and any other expenses ordered by the courts.

   g. **Class Counsel** means Siskinds LLP, Kirby McInerney LLP, and Hoffner PLLC.

   h. **Class Counsel Fees** means the aggregate fees and disbursements (including taxes) of Class Counsel, Goodmans LLP, The Analysis Group, and Paul Hastings LLP.

   i. **Class Member(s)** has the meaning ascribed to "Securities Class Action Class Members" in the Plan.

   j. **Class Period** means the time between November 24, 2010 and February 13, 2014, inclusive.

   k. **Class Settlement Amount** means CAD $13,779,167 plus any accrued interest.

l. **Eligible Securities** means Shares or Notes acquired by a Class Member during the Class Period. The date of purchase or acquisition shall be the trade date and not the settlement date.

m. **Excluded Claim** means any of the following:

i. a claim in respect of a purchase or acquisition of securities that are not Eligible Securities;

ii. a claim by or on behalf of any Excluded Person; or

iii. a claim by or on behalf of any Third Party Lender.

n. **Excluded Person(s)** has the meaning ascribed to it in the Plan.

o. **LIFO** means the method applied to the holdings of Class Members who made multiple purchases/acquisition or sales such that sales of securities will be matched first against the most recent Cash Store common stock or Notes purchased during the relevant period that have not already been matched to sales under LIFO, and then against prior purchases/acquisitions in backward chronological order, until the beginning of the Class Period. A purchase/acquisition or sale of Cash Store common stock or Notes shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. However, for Shares or Notes that were put to investors pursuant to put options sold by those investors, the purchase of the Shares or Notes shall be deemed to have occurred on the date that the put option was sold, rather than the date on which the stock was subsequently put to the investor pursuant to that option.

p. **Note(s)** means Cash Store's 11.5% Senior Secured Notes due January 31, 2017.

q. **Note Claim** means a claim by a Claimant arising from the acquisition of Notes.

r. **Note Inflation Period** means the periods of artificial inflation applicable to Notes as found in Table B.

s. **Plan** means the Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* concerning, affecting and involving 1511419 Ontario Inc., formerly known as The Cash Store Financial Services Inc., et al.

t. **Recognized Loss** means a Claimant's nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis for each Claimant's *pro rata* share of the Class Compensation Fund.

u. **Sale Price** means the price at which the Claimant disposed of Shares or Notes, taking into account any commissions paid in respect of the disposition, such that the Sale Price reflects the economic benefit the Claimant received on disposition.

v. **Share(s)** means shares of Cash Store common stock.

w. **Share Claim** means a claim by a Claimant arising from the acquisition of Shares.

x. **Share Inflation** means the artificial inflation per Share as found in Table A.

y. **Third Party Lender** means

i. Assistive Financial Corp., 0678786 BC Ltd. (formerly McCann Family Holding Corporation), 367463 Alberta Ltd., Trimor Annuity Focus Limited Partnership, Trimor Annuity Focus Limited Partnership #2, Trimor Annuity Focus Limited Partnership #3, Trimor Annuity Focus Limited Partnership #4, Trimor Annuity Focus Limited Partnership #6, Bridgeview Financial Corp., Inter-Pro Property Corporation (USA), Omni Ventures Ltd., FSC Abel Financial Inc., and/or L-Gen Management Inc., and any beneficial or entitlement holder of any of the foregoing;

ii. any other third party lender of the Applicants (as defined in the Plan) pursuant to a broker agreement or agreement analogous to a broker agreement, and any beneficial or entitlement holder of any of the foregoing;

iii. The subsidiaries, owners, affiliates, directors, officers, partners, legal representatives, consultants, agents, successors and assigns of anyone referenced in (i) or (ii) above, and all immediate family members of such persons;

iv. all trusts in which any of the persons referenced in (i) or (ii) above is a trustee or beneficiary; and

v. all entities over which any of the persons or entities referenced in (i) through (iv) above had legal or de facto control during the Class Period.

2. The Claims Administrator shall distribute the Class Compensation Fund as set out below.

Objective

3. The objective of this Plan of Allocation is to equitably distribute the Class Compensation Fund among Class Members that submit valid and timely claims for Eligible Securities.

Deadline for Claims

4. Any person that wishes to claim compensation from the Class Compensation Fund shall deliver to or otherwise provide the Claims Administrator a Claim Form by January 8, 2016 or such other date set by the Court. If the Claims Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Class Compensation Fund. Notwithstanding the foregoing, the Claims Administrator shall have the discretion to permit otherwise-valid late

claims without further order of the Court, but only if doing so will not materially delay the distribution of the Class Compensation Fund.

Processing Claim Forms

5. The Claims Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Class Compensation Fund, as follows:

   a. For a Claimant claiming as a Class Member, the Claims Administrator shall be satisfied that (i) the Claimant is a Class Member; and (ii) the claim is not an Excluded Claim.

   b. For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Claims Administrator shall be satisfied that (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs; (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and (iii) the claim is not an Excluded Claim.

   c. The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Claims Administrator.

6. The Claims Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Securities.

7. The Claims Administrator shall take reasonable measures to verify that the Claimants are eligible for compensation and that the information in the Claims Forms is accurate. The Claims Administrator may make inquiries of the Claimants in the event of any concerns, ambiguities or inconsistencies in the Claim Forms.

Allocation of Class Compensation Fund

8. Only Claimants that the Claims Administrator has determined to be eligible for compensation pursuant to paragraphs 5-7 are entitled to recover compensation from the Class Compensation Fund. For greater certainty, a Claimant that is a Third Party Lender is not eligible or entitled to recover compensation from the Class Compensation Fund.

9. Only claims in respect of Eligible Securities are entitled to receive compensation from the Class Compensation Fund.

10. The Class Compensation Fund shall be apportioned as follows:

    a. 64.621% of the aggregate amount available for distribution in the Class Compensation Fund shall be allocated to Note Claims and shall be distributed to the eligible Claimants in accordance with the terms set out herein (the "Note Fund"); and

    b. 35.379% of the aggregate amount available for distribution in the Class Compensation Fund shall be allocated to Share Claims and shall be distributed to the eligible Claimants in accordance with the terms set out herein (the "Share Fund").

    (Each of the Share Fund and Note Fund are referred to as a "Securities Fund").

11. As soon as possible after (i) all timely Claim Forms have been processed (or those otherwise-valid late Claim Forms that the Claims Administrator has exercised its discretion to permit); (ii) the time to request a reconsideration for disallowed claims under paragraph 28-29 has expired; and (iii) all administrative reviews under paragraphs 30-31 have concluded, the Claims Administrator shall determine the Recognized Loss for Share Claims and Note Claims of each eligible Claimant as follows, subject to the Additional Rules set out at paragraphs 15-21:

    a. Purchase/acquisition and sale amounts in currencies other than Canadian dollars will be converted to equivalent Canadian dollar amounts using the publicly available currency exchange rate at the close of business on March 31, 2014.

    b. The ACB for Shares and/or Notes purchased/acquired is determined using LIFO;

    c. The Recognized Loss per Share for Share Claims is calculated as follows, with reference to the Share Inflation as set out in Table A at paragraph 12:

Time of Sale or Disposition of Shares acquired during the Class Period	Recognized Loss
November 24, 2010 to February 13, 2014	The lesser of: (the applicable purchase/acquisition date Share Inflation) - (applicable sale date Share Inflation) and (ACB – Sale Price)
February 14 to April 11, 2014	The lesser of: the applicable purchase/acquisition date Share Inflation and (ACB – Sale Price)
After close of trading on April 11, 2014 or still held	The lesser of: the applicable purchase/acquisition date Share Inflation and (ACB– CAD$0.32)

d. The Recognized Loss per face amount of Notes for Note Claims is calculated as set out below. Notwithstanding anything in this paragraph, however, the Recognized Loss for Notes that were acquired and disposed of during the same Note Inflation Period in Table B will be $0.00 for those Notes.

Time of Sale or Disposition of Notes	Recognized Loss
On or prior to February 13, 2014	(ACB – Sale Price)
After February 13, 2014 or still held	**For Notes acquired between September 20, 2013 and February 13, 2014, the lesser of:** (ACB – Sale Price) x 0.40 and (ACB - $211.25) x 0.40

	For Notes acquired before September 20, 2013: (ACB – $484.50) plus the lesser of: ($484.50 – Sale Price) x 0.40 and ($484.50 - $211.25) x 0.40

12. The applicable Share Inflation rates are as follows:

TABLE A – SHARE INFLATION	
Purchase/Acquisition or Sale Date Range	**Artificial Inflation Per Share**
November 24, 2010 – August 31, 2011	CAD$0.25
September 1, 2011 – January 23, 2012	CAD$0.39
January 24, 2012 – December 9, 2012	CAD$1.30
December 10, 2012 – September 19, 2013	CAD$0.39
September 20, 2013 – February 13, 2014	CAD$0.14
After February 13, 2014	CAD$0.00

The applicable Note Inflation Periods are as follows:

TABLE B – NOTE INFLATION PERIODS	
Inflation Period 1	January 24, 2012 – December 9, 2012
Inflation Period 2	December 10, 2012 – September 19, 2013
Inflation Period 3	September 20, 2013 – February 13, 2014

13. As soon as is practicable thereafter, the Claims Administrator shall

    a. allocate the Note Fund on a *pro-rata* basis to eligible Claimants based upon each Claimants' Recognized Loss in relation to Notes; and

    b. allocate the Share Fund on a *pro-rata* basis to eligible Claimants based upon each Claimant's Recognized Loss in relation to Shares.

14. The Claims Administrator shall make payments to the eligible Claimants based on the allocation under paragraph 13, subject to the Additional Rules in the following section.

Additional Rules

15. The Claims Administrator shall not make payments to Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD$10.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants in accordance with the procedure set out in paragraphs 22-23.

16. The Recognized Loss for any particular disposition of Eligible Securities shall be no less than zero (CAD$0.00); however, to the extent an eligible Claimant had an aggregate gain from his, her or its transactions in Eligible Securities, the value of his, her or its total Recognized Loss will be zero (CAD$0.00).

17. To the extent that an eligible Claimant suffered an overall loss on transactions in Eligible Securities, but the loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the actual loss. The proceeds of any put option sales shall be offset against any losses from Shares or Notes that were purchased as a result of the exercise of the put option.

18. There shall be no Recognized Loss on (a) short sales of Cash Store securities during the Class Period or (b) purchases/acquisitions during the Class Period that were used to cover short sales; however, any and all aggregate gains resulting from any short sales shall be offset against Recognized Losses on other transactions by the Claimant.

19. The receipt or grant by gift, devise or inheritance of Shares or Notes during the Class Period shall not be deemed to be a purchase or acquisition of Shares or Notes for the calculation of a

Claimant's Recognized Loss if the person from which the Shares or Notes were acquired did not themselves acquire the Shares or Notes during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Shares or Notes unless specifically provided in the instrument or gift or assignment.

20. Shares or Notes transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating Recognized Loss unless those Shares or Notes were initially purchased by the Claimant during the Class Period. The ACB for such securities shall be calculated based on the price initially paid for the Eligible Securities.

21. The Claims Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant. If, for any reason, a Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with paragraphs 22-23.

Remaining Amounts

22. If any funds remain in the Class Compensation Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have eligible Claimants cash their distributions, any balance remaining in the Class Compensation Fund six (6) months after the initial distribution of such funds shall be redistributed to Claimants who have cashed their initial distributions and would receive at least $10.00 on such additional redistribution in a manner consistent with this Plan of Allocation. Such payment will be made, first, to eligible Claimants within the same Securities Fund in which there is a balance remaining. After such time that all eligible Claimants in a particular Securities Fund have received distributions amounting to their Recognized Loss, then any remaining balance allocated to that Securities Fund shall be distributed to eligible Claimants in the other Securities Fund in a manner consistent with this Plan of Allocation.

23. Class Counsel shall, if feasible, continue to reallocate any further balance remaining in the Class Compensation Fund after the redistribution is completed among eligible Claimants in the same manner and time frame as provided for above. In the event that Class Counsel determine that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible, thereafter, Class Counsel shall donate the remaining funds, if any, to a non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 501(c)(3) or Canadian charity or other non-profit group to be designated by Class Counsel and approved by the Courts.

Completion of Claim Form

24. If a living Class Member is unable to complete the Claim Form then it may be completed by the Class Member's personal representative or a member of the Class Member's family.

Irregular Claims

25. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume the class member to be acting honestly and in good faith.

26. Where a Claim Form contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.

27. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains unintentional errors which would materially exaggerate the Recognized Loss to be awarded to the claimant, then the Claims Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Recognized Loss is awarded to the claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss to be awarded to the claimant, then the Claims Administrator shall disallow the claim in its entirety.

28. Where the Claims Administrator disallows a claim in its entirety, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he, she, or it may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Recognized Loss or his or her individual compensation.

29. Any request for reconsideration must be received by the Claims Administrator within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

30. Where a Claimant files a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.

31. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination. In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Claimant at the Claimant's last known postal address, a notice specifying the revision to the Claims Administrator's disallowance.

32. The determination of the Claims Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

33. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.

SCHEDULE E

Litigation Counsel Retainer

(Contingency Fee Retainer Agreement for Litigation Counsel)

CONTINGENCY FEE RETAINER AGREEMENT

This contingency fee retainer agreement is made as of November 14, 2014, and is made:

B E T W E E N:

Thornton Grout Finnigan LLP
Canadian Pacific Tower
Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Tel: 416-304-1616
Fax: 416-304-1313

("TGF")

- and -

Voorheis & Co. LLP
333 Bay Street, Suite 810
Toronto, ON M5H2R2
Tel: 416-947-1400
Fax: 416-947-1256

("VCo")

-and-

William E. Aziz,
in his capacity as Chief Restructuring Officer ("CRO") of
The Cash Store Financial Services Inc., The Cash Store Inc.,
TCS Cash Store Inc., Instaloans Inc., 7254331 Canada Inc., 5515493 Manitoba Inc., and
1693926 Alberta Ltd. doing business as "The Title Store"
15511 123 Avenue
Edmonton, AB T5V 0C3
[redacted]

(the "Client")

Joint Retainer

1. The Client is jointly retaining TGF and VCo (together, "Counsel") to provide litigation advice and services in respect of certain claims and potential claims of the Client as outlined below. The Client agrees that the Contingency Fee set out herein for work undertaken by Counsel on the Client's behalf shall be divided between Counsel in proportion to the work done and responsibilities assumed.

Scope of Retainer

2. Counsel is being retained to provide litigation advice and services in respect of certain claims and potential claims of the Client against certain former directors and officers, professional advisors, counter-parties and other third parties for a number of causes of action including but not limited to negligence, malfeasance, oppression, breach of fiduciary and statutory duties, breach of contract, knowing assistance and knowing receipt in connection with the operation of business of The Cash Store Financial Services Inc. ("CSF") including its related, affiliated and investee companies, CSF's public disclosure including its audited and unaudited financial statements, certain related party transactions, CSF's January 2012 purchase of a loan portfolio from third party lenders ("TPLs"), the valuation of the loan portfolio, CSF's issuance of $132.5 million aggregate principal amount of Senior Secured Notes and related disclosures, the payment of retention payments to TPLs, CSF's regulatory compliance and such further and other matters as may be agreed between the CRO and Counsel (together, the "Claims").

Instructions

3. Counsel is authorized to act for the Client in this engagement on the reasonable instructions of the CRO, or such other person the CRO may advise Counsel in writing as authorized to instruct Counsel.

Choice of Contingency Retainer

4. In representing the Client's interests in respect of the Claims, Counsel will be incurring a significant amount of time and out-of-pocket expenses for and on behalf of the Client. In retaining the services of counsel, the Client has the option of retaining solicitors by way of an hourly rate retainer, whereby each hour or portion of an hour spent by the solicitor on the Client's file is charged at a specified hourly rate. Hourly rates vary among solicitors and the Client can consult other solicitors to compare rates. The hourly rates charged by Counsel, as at October 2014, are as follows:

John Finnigan, called to the Ontario Bar 1984	$900/hour
John Porter, called to the Ontario Bar 1984	$900/hour
Megan Keenberg, called to the Ontario Bar 2007	$500/hour
Deborah Palter, called to the Ontario Bar 1996	$625/hour
Wes Voorheis, called to the Ontario Bar 1979	$1,150/hour
Michael Woollcombe, called to the Ontario Bar 1996	$985/hour
Shane Priemer, called to the Ontario Bar 2004	$600/hour
Lawyers with four to six years experience	$375 to $475/hour
Lawyers with one to three years experience	$275 to $350/hour
Law Clerks	$275/ hour

5. Notwithstanding that the Client has been advised of the hourly rates charged by Counsel, and notwithstanding that the Client has had the opportunity to compare the hourly rates charged by Counsel with the hourly rates charged by other solicitors, the Client has

chosen to retain Counsel, jointly, by way of a contingency fee agreement. The Client understands and acknowledges that all the usual protections and controls on retainers between a solicitor and a client, as defined by the Law Society of Upper Canada and the common law, apply to this Contingency Fee Retainer Agreement. The Client understands that hourly rates are subject to increase on January 1 each year. The Clients will be notified in writing of any hourly rate increases before such increases take effect.

Amount of Contingency Fee

6. The contingency fee paid by the Client to Counsel is equal to 33.33% of all amounts recovered on behalf of the Client for all damages and losses, including interest thereon, arising from any of the pursued Claims, excluding taxes and disbursements (the "Contingency Fee"), regardless of the source of recovery whether by way of settlement of the Client's Claims, or by way of a judgment following a trial.

Distribution of Litigation Proceeds

7. The proceeds of any settlement or final order of the Court on any prosecuted Claims (the "Litigation Proceeds") shall be distributed as follows:

   (a) Counsel will not be entitled to any payment in respect of fees unless or until Litigation Proceeds are received by the Client, subject to the termination provisions of this Agreement set out below.

(b) The Client will be responsible for paying all reasonable disbursements and all applicable taxes as they are incurred. Any Litigation Proceeds that are specifically allocated to disbursements will be paid to the Client as reimbursement.

(c) Any Litigation Proceeds that are specifically allocated to costs will be paid to Counsel and credited against the Contingency Fee.

(d) Any Litigation Proceeds that are not specifically designated as allocations for costs or disbursements shall be included in the damages and interest award to which the Contingency Fee applies.

(e) Counsel will be paid the Contingency Fee plus HST on the remainder of the Litigation Proceeds allocated to damages, losses and interest.

(f) The remainder of the Litigation Proceeds will be paid to the Client.

8. By way of example, and for illustrative purposes only, we offer the following sample calculation. Suppose, after trial, a court ordered an award to the Client as follows:

Damages	$20,000,000
Interest	$2,000,000
Costs	$2,500,000
Disbursements	$500,000
Grand Total	$25,000,000

9. The Contingency Fee would be applied to the $20,000,000 damages award and the $2,000,000 interest award (i.e., 33.33% of $22,000,000, being $7,332,600). The $2,500,000 costs award (which is assumed for this illustration to include HST) would be

paid to Counsel and credited against the Contingency Fee. In this example, $2,500,000 in costs will be paid to Counsel directly by an adverse party or parties, and credited against the Contingency Fee of $7,332,600, reducing the amount payable by the Client to Counsel from $7,332,600 to $4,832,600. The Client would be responsible for paying all applicable taxes on this amount to Counsel. In this example 13% HST would be applied to the Fee of $4,832,600 for a total payment of $5,460,838. The Contingency Fee will be divided as between TGF and VCo as they determine. The remainder of the Litigation Proceeds will be paid to the Client. The $500,000 disbursement award would be paid directly to the Client as reimbursement for disbursement costs incurred and paid. In this example, the Client's total recovery would be $19,539,162 being $25,000,000 less the Contingency Fee (plus tax) of $5,460,838.

10. It is agreed that Counsel shall not recover more in fees than the Client recovers as damages or by way of settlement.

Costs Awards/ Contributions

11. The Client may be awarded costs by adverse or other parties, in addition to any monetary award for damages and interest. Unless otherwise ordered by a judge, the Client is entitled to receive any costs contribution or award, on a partial indemnity scale or a substantial indemnity scale, payable by an adverse party. By executing this Contingency Fee Retainer Agreement, the Client authorizes and directs that all funds claimed by Counsel for fees and costs shall be paid to Counsel in trust from any Litigation Proceeds. The amount of the Contingency Fee payable to Counsel shall exclude any amount

awarded and collected or agreed to that is separately specified as being in respect of costs.

12. During the course of the litigation proceedings contemplated under this Agreement, motions may be brought in court on the Client's behalf or defended on the Client's behalf. In the event that the Court awards costs to be paid to the Client by an adverse party, Counsel will render an interim account and any account so rendered will be paid to Counsel and credited to the Contingency Fee that will be charged to the Client.

Client Obligations

Disbursements

13. It is agreed that the Client will be responsible for all reasonable disbursements over the course of the file, as they are incurred, subject to potential reimbursement by an adverse party or parties as set out above in the event of recovery of a specified disbursement award.

Adverse Costs Awards and Security for Costs

14. In the event that costs of other parties are awarded against the Client or against Counsel, those costs are solely the responsibility of the Client and not the responsibility of Counsel. The Client will also bear the sole responsibility for the satisfaction of any orders of the Court requiring payment into court for security for costs.

Litigation Trust Account

15. To provide some assurance in regards to the obligations referred to in paragraphs 13 and 14 of this Agreement, the Client will, as required to fund these obligations and in any event by not later than March 31, 2015, fund a trust account with $1,000,000 (the "Litigation Trust Account") which will be available to (i) pay disbursements and taxes thereon; (ii) pay any adverse costs awards against the Client or Counsel, and (iii) satisfy any orders or agreements to provide security for costs in respect of the prosecuted Claims. Any balance in the Litigation Trust Account will be returned to the Client at the conclusion of the prosecuted Claims.

16. In connection with any contemplated distributions by the Client to its creditors of its existing assets or any Litigation Proceeds that the Client hereafter receives from time to time, the Client and the CRO will consult with Counsel and endeavour in good faith to ensure that the Client holds back and retains, either in its own account or in the Litigation Trust Account, an appropriate amount of cash to satisfy the Client's then reasonably anticipated obligations in relation to future disbursements, possible cost awards and any existing or possible orders for security for costs.

Alternative Funding Arrangements

17. As an alternative to the obligations set forth in paragraphs 15 and 16 of this Agreement, the CRO, should he determine it to be appropriate and in the best interests of the Client and its stakeholders, shall have the discretion at any time to negotiate and implement arrangements with one or more third parties (which, for clarity, may include members of

the Ad Hoc Committee of Cash Store Noteholders) whereby that party or parties will fund all disbursements, will indemnify the Client and Counsel for adverse cost awards and will fund a payment into court (or otherwise provide appropriate security for) any amount ordered by the Court to be posted as security for costs. Any such alternative arrangements must be acceptable to Counsel, acting reasonably, and the costs of obtaining these arrangements will be paid by the Client (and may include, at the CRO's discretion, a participation in the Client's share of future Litigation Proceeds). In the event such alternative arrangements are implemented in relation to all of the Client's aforementioned obligations, any balance remaining in the Litigation Trust Account will be returned to the Client.

Right to Assess Solicitor's Bill

18. The Client has the right to ask the Superior Court of Justice to review and approve the bill submitted to the Client by Counsel if payment of their fees and disbursements is made by way of this Contingency Fee Retainer Agreement. Should the Client wish to exercise this right, the Client may apply to the Superior Court of Justice for an assessment of the solicitor's bill rendered in respect of this Contingency Fee Retainer Agreement within six months after its delivery.

Termination of this Contingency Fee Retainer Agreement

19. The parties may mutually agree at any time during the course of Counsel's representation of the Client, by written agreement between the Client and Counsel, to terminate this Contingency Fee Retainer Agreement and to enter into an hourly rate retainer agreement

In that event, the terms of this Agreement no longer apply to the calculation of fees to be charged by Counsel for the services performed by Counsel. Instead, Counsel will charge the Client on an hourly rate for all the work they have already done on the Client's behalf from the inception of the file and all the work Counsel will continue to do on the Client's behalf to the completion of the file, either by way of settlement or by way of judgment after trial, based on the hourly rates set out in paragraph 4 of this Agreement (as such rates may be increased in accordance with paragraph 5).

20. In the event of a termination for cause by the Client, or a termination by Counsel, Counsel will be paid (a) a percentage of any Litigation Proceeds that the Client thereafter becomes entitled to, not to exceed 33.33%, to be determined by the CRO, after consultation with Counsel regarding same, based on the contribution made by Counsel to the realization of those Litigation Proceeds prior to termination; and (b) all disbursements incurred by Counsel prior to the termination and all taxes exigible on fees and disbursements. For these purposes, cause shall mean a failure by Counsel to reasonably pursue the Claims in a diligent and responsible manner which failure has materially harmed the Client and continues after reasonable notice thereof from the CRO to Counsel. Any dispute as to whether the Client had cause for termination, or as to the entitlement of Counsel to any Litigation Proceeds based on their contribution (as contemplated by paragraph 20 or 21 of this Agreement), will be submitted to a single, mutually appointed arbitrator in Ontario, pursuant to the *Arbitration Act* (Ontario) for final and binding arbitration.

21. In the event of a termination other than for cause by the Client, Counsel will be paid the greater of (a) the amount calculated by multiplying the time spent working on the Claims to the termination date by Counsel's usual hourly rates for the lawyers involved plus disbursements and all applicable taxes; and (b) 33.33% of any Litigation Proceeds that the Client becomes entitled to within twenty-four (24) months following the termination date, together with a percentage of any Litigation Proceeds that the Client becomes entitled to more than twenty-four (24) months following the termination date, not to exceed 33.33%, to be determined by the CRO, after consulting the Counsel regarding same, based on the contribution made by Counsel to the realization of those Litigation Proceeds prior to termination. In the event of a termination other than for cause by the Client, Counsel will also be paid all outstanding disbursements incurred by Counsel prior to the termination date and all taxes exigible on fees and disbursements.

22. Any termination of this Agreement by Counsel will be done in compliance with the applicable rules and regulations under the *Solicitors Act* and the Rules of Professional Conduct.

23. For the purposes of these termination provisions, the Client agrees to promptly provide Counsel with any judgment, order or settlement documents awarded or entered into at any time before or after any termination of this Agreement.

24. Until such time as all bills, accounts, disbursements and expenses have been paid to Counsel by the Client, Counsel retains a solicitor's lien on the Client's file, and will only release the file to a new solicitor upon satisfactory arrangements being made for the

protection and payment of the accounts of Counsel from any settlement or judgment after trial.

25. Unless otherwise terminated in accordance with the provisions set forth herein, this engagement ends when Counsel's work on the engagement is completed and the final account is rendered.

Acknowledgments by Counsel

26. Counsel acknowledges and agrees that the prosecution of any Claims against former directors and officers of the Client shall be conducted in a manner that the CRO determines is not adverse to certain agreed upon claims currently being pursued on behalf of CSF shareholders and noteholders and the insurance that is responsive thereto.

27. Counsel also acknowledges and agrees that nothing in this Agreement shall impair or affect in any way the ability of Client to advance and implement a plan of compromise or arrangement in the CCAA proceedings which proposes to settle and release any Claims against certain agreed upon parties as part of a global settlement proposal or otherwise, and on terms that may be approved by creditors and the court (a "CCAA Plan"), as the case may be, without the consent or participation of Counsel or any compensation therefor; provided that, where any of these particular Claims are settled in any such CCAA Plan following material and/or successful prosecution of such Claims by Litigation Counsel, then, following consultation among the CRO and Counsel,

compensation for Counsel in respect of any such Claims may be as proposed in any such CCAA Plan to be presented to creditors and the court for approval.

No Recovery by Client

28. In the event that no money is recovered by the Client by way of settlement or judgment, no fees shall be charged or billed to the Client by Counsel. As noted above, the Client remains responsible for the payment to Counsel of all reasonable disbursements as they are incurred, regardless of the outcome of the case. Further, in the event that any costs of other parties are awarded against the Client, those costs are the sole responsibility of the Client. Counsel will consult with the Client at various times during the course of litigation about the likelihood of the Claims being lost and no recovery obtained.

Appeals

29. The Client acknowledges that costs for an appeal of any judgment or order, or for services rendered for the collection of said judgment or order, are separate and apart from the services performed under this Agreement and are not covered by this Agreement. In the event of an appeal or in the event that collection on a judgment is necessary, a new retainer agreement shall be entered into between the Client and Counsel.

Confidentiality

30. Counsel undertakes not to disclose or misuse the Client's confidential information subject only to applicable law and professional rules of conduct.

Conflicts

31. While Counsel is engaged by the Client, Counsel will not act for another client whose interests conflict with the Client's interests in this matter, unless the Client consents. In this regard, provided that (i) the other matter is not the same as or related to any matter in which Counsel is currently representing the Client, and (ii) Counsel protects the Client's confidential information, the Client agrees not to object to Counsel's representation of another client in any engagement that is adverse to the Client's interests (including in litigation). Another client's interests will not normally be considered adverse to the Client's interests merely because the other client is a business competitor or is asserting legal positions that are inconsistent with legal positions asserted by the Client, or is adverse in interest to entities in which the Client has a relationship through ownership or otherwise.

32. The Client acknowledges that, after the Client is no longer a client of Counsel, that Counsel may represent other clients whose interests are adverse to the Client's, provided that Counsel protects the Client's confidential information.

Compliance with Ontario Law

33. This Agreement is made in compliance with the legislation and regulations governing contingency fee retainer arrangements in the Province of Ontario. By signing this Contingency Fee Retainer Agreement, the Client expressly consents to Counsel sending the Client commercial electronic messages, from time to time, in accordance with Canada's anti-SPAM legislation.

Voluntary Execution

34. By executing this Agreement, the Client acknowledges that it has had the opportunity to obtain independent legal advice and has nonetheless chosen to enter into this Agreement willingly and voluntarily without undue influence or coercion of any sort. The Client further confirms that by executing this Agreement that Client has had an opportunity to review the terms of the Agreement before signing and understands all the terms and conditions set out herein.

Court Approval

35. This Agreement is conditional on approval by the Court supervising the CCAA proceeding for Cash Store Financial Inc. Approval of this Agreement will be sought forthwith upon the execution of this Agreement by Counsel and the Client.

DATE: November 17, 2014

Witness
Patrick Forster

The Cash Store Financial Inc.
Per: William E. Aziz
Title: Chief Restructuring Officer

DATE: November 18, 2014

Witness
M. KEENBERG

Thornton Grout Finnigan LLP
Per: John Finnigan
Title: Partner

DATE: November 17, 2014

Witness

Voorhees & Co. LLP
By: Michael Woulfe
Title: Partner

EXHIBIT N

Hoffner PLLC

800 Third Avenue, 13th Floor
New York, NY 10022
Tel: 212.471.6203
Fax: 212.935.5012
Email: hoffner@hoffnerpllc.com

DAVID S. HOFFNER

August 5, 2015

BY FAX (212-805-6382)
Honorable Victor Marrero
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007-1312

Re: *Globis Capital Partners, L.P. et al. v. Cash Store Financial Services, Inc. et al.*, 13 Civ. 3385 (S.D.N.Y.) (VM) (RLE)

Dear Judge Marrero:

This firm is Co-Lead Counsel for Lead Plaintiffs in the above-referenced consolidated securities class action. I write in response to the Court's Order, dated July 30, 2015, requiring that "Lead Plaintiffs Globis Capital Partners, L.P. and Globis Overseas Fund, Ltd. inform the Court, by August 7, 2015, concerning the status of this action and Lead Plaintiffs' contemplation with regard to any further proceedings."

As the Court has been previously advised, the parties to the above-referenced action, along with counsel for the parties in the related securities actions in Canada, had, after participating in a March 2014 mediation in Toronto, Ontario, reached a proposed global resolution with defendant Cash Store Financial Services, Inc. ("Cash Store" or "CSF") and the officer and director defendants. The proposed settlement was intended to resolve, *inter alia*, all claims arising under U.S. or Canadian securities laws held by investors that purchased (a) CSF common shares during the period of November 24, 2010 through February 14, 2014; and (b) CSF's 11.5% Senior Secured Notes due January 31, 2017 prior to February 14, 2014 (inclusive) (the "Claims").

On April 14, 2014, however, before the parties could file a proposed settlement agreement with the Court, Cash Store filed an application in the Ontario Superior Court of Justice (Commercial List) seeking creditor protection under the *Companies' Creditors Arrangement Act* (the "CCAA"). Furthermore, as the Court was advised by letter, dated May 5, 2014, from Richard A. Rosen, counsel for Cash Store, on April 15, 2014, Justice Morawetz of the Ontario Superior Court of Justice granted an order that no proceeding or enforcement process in any court or tribunal . . . shall be commenced or continued against or in respect of [Cash Store] . . . except with the written consent of [Cash Store] and the Monitor, or with leave of this Court." Amended and Restated Initial Order, ¶16. Moreover, Justice Morawetz also granted a stay of proceedings "against any of the former, current or future directors or officers of [Cash Store] with respect to any claim ... that relates to any obligations of [Cash Store] whereby the directors or officers are

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alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations." Id. at ¶21.

Thereafter, in an effort to resurrect a settlement in both the U.S. and Canadian actions, on December 5, 2014, the mediation was reconvened and attended by counsel for the parties in this action and the related Canadian securities litigations, along with counsel for Cash Store's Chief Restructuring Officer (the "CRO"), counsel for the court-appointed Monitor, counsel for the Cash Store Noteholders Committee and representatives of certain of Cash Store's D&O insurance carriers. As a result of that meeting and subsequent telephone conferences and correspondence, in or about March 2015, the participants reached an agreement in principle to resolve, among other things, the Claims.

The parties have, however, been unable to date to reduce their settlement in principle to writing as a result of a number of issues that have arisen with respect to non-securities law claims against Cash Store and its former officers and directors that certain other plaintiffs contend are also covered by the D&O policies. We understand that significant progress has been made to resolve these other issues and are hopeful that agreements in principle to settle all of these relevant claims will be in place by the time of the next CCAA case conference on August 27, 2015.

If that occurs, we anticipate that the parties will propose a schedule to Justice Morawetz at the August 27, 2015 case conference regarding approval of a CCAA plan that incorporates all of the related settlements, including the settlement of the Claims, as well as the filing by Cash Store of (1) a petition seeking recognition of the CCAA proceedings and the plan by the United States Bankruptcy Court for the Southern District of New York pursuant to Chapter 15 of the United States Bankruptcy Code, and (2) a stipulation of dismissal with this Court. Such a process would likely follow the procedures used to resolve the bankruptcy and U.S. and Canadian securities claims related to the Sino-Forest Corporation, including those asserted in *David Leopard et al. v. Allen T.Y. Chan, et al.*, Case No. 1:12-cv-01726 (VM) (S.D.N.Y.).

If the Court requires additional information, we would be happy to have a call with the Court to answer any questions Your Honor might have. Otherwise, we will promptly contact the Court after the August 27, 2015 CCAA case conference to provide an update.

Respectfully submitted,

David S. Hoffner

cc: Richard Rosen, Esq. (by email)
Thomas Rohback, Esq. (by email)
Joseph DeSimone, Esq. (by email)
Ira Press, Esq. (by email)

The Clerk of Court is directed to enter into the public record of this action the letter above submitted to the Court by lead Plaintiffs.

SO ORDERED.

8-5-15
DATE

VICTOR MARRERO, U.S.D.J.

EXHIBIT O

Hoffner PLLC

800 Third Avenue, 13th Floor
New York, NY 10022
Tel: 212.471.6203
Fax: 212.935.5012
Email: hoffner@hoffnerpllc.com

DAVID S. HOFFNER

September 9, 2015

BY FAX (212-805-6382)
Honorable Victor Marrero
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007-1312

Re: *Globis Capital Partners, L.P. et al. v. Cash Store Financial Services, Inc. et al.*, 13 Civ. 3385 (S.D.N.Y.) (VM) (RLE)

Dear Judge Marrero:

This firm is Co-Lead Counsel for Lead Plaintiffs in the above-referenced consolidated securities class action. I write in furtherance of my letter to the Court, dated August 5, 2015, which responded to the Court's Order, dated July 30, 2015, requiring that Lead Plaintiffs provide a status report.

In the August 5, 2015 letter, we advised the Court that, as a result of a number of issues that had arisen with respect to non-securities law claims against The Cash Store Financial Services Inc. ("Cash Store") and its former officers and directors, the parties to the above-referenced action (the "S.D.N.Y. Action") had been unable as of that date to reduce their settlement in principle to writing but were hopeful that agreements in principle to settle all of these relevant claims would be in place by the time of the hearing on August 27, 2015 in the Canadian proceeding in the Ontario Superior Court of Justice brought pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") bearing Court File No. CV-14-10518-00CL (the "CCAA Proceeding").[1]

Unfortunately, at the time of the August 27, 2015 hearing, certain issues with respect to these non-securities law claims remained unresolved. Nonetheless, in the expectation that these remaining issues will be addressed shortly, the parties to the S.D.N.Y. Action and the securities

[1] At all relevant times, Cash Store, a payday loan company, was a corporation organized and existing under the laws of the Province of Ontario, Canada, with headquarters in Edmonton, Alberta, Canada, whose shares of common stock were publicly traded on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). In addition to the case at bar, which asserts U.S. securities laws claims on behalf of U.S. shareholders against Cash Store and certain of its officers and directors, Canadian shareholders have filed putative class actions asserting claims under Canadian securities laws in the Ontario Superior Court of Justice (*Fortier v. The Cash Store Financial Services Inc. et al.*, No. CV-13-481943-00CP), the Alberta Court of Queen's Bench (*Hughes v. The Cash Store Financial Services Inc. et al.*, Action 1303 07837), and the Québec Superior Court (*Dessis v. The Cash Store Financial Services Inc. et al.*, Action No. 200-06-000165-137).

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class actions in Canada have now been exchanging drafts of a settlement agreement with respect to all of the securities law claims. In light of the settlement process proposed by Defendants in the draft agreement, however, before this process can proceed further, counsel for both Lead Plaintiffs and the officer and director Defendants in the S.D.N.Y. Action believe it necessary and prudent to apprise Your Honor of the proposed settlement process to ensure at this early juncture that we may timely address any questions or concerns that the Court may have.

Specifically, the current procedural process for the securities claims settlement contained in the draft settlement agreement proffered by the Defendants (the "draft Settlement Agreement") provides that, after notice approved by the Ontario Superior Court of Justice has been sent to all U.S. and Canadian purchasers during the Class Period of Cash Store securities, the settlement agreement will be approved by an order of the supervising judge in the CCAA Proceeding (who is also designated to hear the certification and settlement approval motion with respect to the Canadian securities class actions) and implemented through a Plan of Compromise and Reorganization of Cash Store under the CCAA (the "Plan"), to be sanctioned by the CCAA Court (the "Sanction Order"). We understand that the form and manner of service of notice of the settlement will conform substantially to the equivalent procedures in the U.S.

The draft Settlement Agreement provides that, subject to entry of the Sanction Order, U.S. counsel to Cash Store's court-appointed Monitor will proceed with a petition seeking recognition and enforcement of the Sanction Order by an order of the United States Bankruptcy Court for the Southern District of New York under Chapter 15 of the United States Bankruptcy Code (the "Recognition Order"). We believe such a petition would be properly granted given that "U.S. and Canada share the same common law traditions and fundamental principles of law" and that "Canadian courts afford creditors a full and fair opportunity to be heard in a manner consistent with standards of U.S. due process." *In re Metcalfe & Mansfield Alternative Invs.*, 421 B.R. 685, 698 (Bankr. S.D.N.Y. 2010).

Once the Recognition Order has been entered, the draft Settlement Agreement provides that the parties to the S.D.N.Y. Action will seek, by stipulation, to have Your Honor dismiss the S.D.N.Y. Action with prejudice.

We understand that this proposed process would track the procedures used to resolve certain U.S. and Canadian securities claims related to the Sino-Forest Corporation, *In re Sino-Forest Corp.*, 501 B.R. 655 (Bankr. S.D.N.Y. 2013), including those asserted against Ernst & Young LLP in *David Leopard et al. v. Allen T.Y. Chan, et al.*, Case No. 1:12-cv-01726 (S.D.N.Y.), a case initially assigned to Your Honor. *See* Joint Stipulation To Dismiss E&Y With Prejudice and Order, dated December 17, 2013 [Dkt. 44], and Order, dated December 18, 2013 [Dkt. 45]. We recognize, however, that, although there is precedent for this approval process, the proposed structure would not conform to all of the specific requirements of the Private Securities Litigation Reform Act of 1995. Most notably, in light of the contemplated CCAA Sanction Order and U.S. Bankruptcy Court Recognition Order, the settlement approval process would not involve a formal fairness hearing by Your Honor, but only by the Canadian courts. Nor, under the proposed Plan and draft Settlement Agreement, would shareholders and noteholders in the Class be entitled to opt out of the settlement. Objections to the settlement or other aspects of the proposed plan would, of course, be heard by the Canadian court.

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In light thereof, we are at this early juncture advising the Court of this proposed process so any concerns or questions Your Honor may have can be addressed. Counsel for the parties in the S.D.N.Y. Action are available at the Court's convenience.

Respectfully submitted,

David S. Hoffner

cc: Richard Rosen, Esq. (by email)
Thomas Rohback, Esq. (by email)
Joseph DeSimone, Esq. (by email)
Ira Press, Esq. (by email)

The parties are directed to submit an updated status report on this matter within 60 days of the date of this Order, or sooner in the event they conclude the settlement described above.

SO ORDERED.

9-10-15
DATE

VICTOR MARRERO, U.S.D.J.

EXHIBIT P

2013 Annual Report

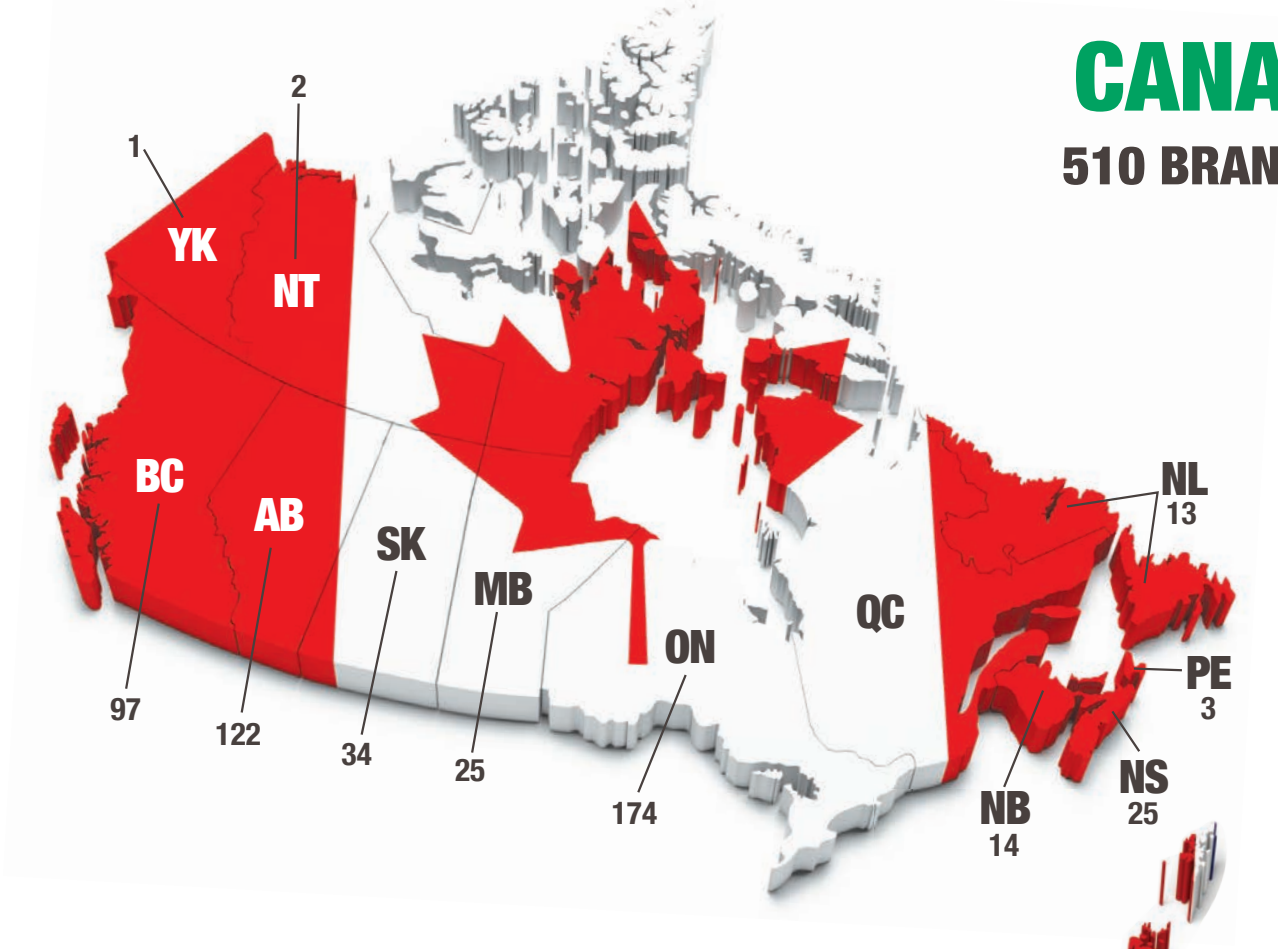
Cash Store FINANCIAL

HONESTY | INTEGRITY | LOYALTY | TEAMWORK

OUR FOOTPRINT (As at September 30, 2013)

CANADA

510 BRANCHES



UNITED KINGDOM

27 BRANCHES

CHAIRMAN'S REPORT Eugene I. Davis

IT IS WITH GREAT PLEASURE THAT I WRITE MY FIRST LETTER TO YOU,

the shareholders of Cash Store Financial.

I joined the Company's Board of Directors in June 2013, becoming our first independent Chairman. As Cash Store grew in size and complexity, and as a best practice in corporate governance, it became necessary to split the roles of Chairman and CEO. I believe it was an important move for the Company that enables us to maintain a clear focus on creating shareholder value.

Upon joining the Company, I began working with the Directors, Gord and his executive team to put together a strategic plan for our transitioning business. Our focus is to continue moving upstream by building on our differentiated branch environment, introducing new products and services that will maintain customer relationships for longer periods and shifting the focus from short-term payday loans to longer-term line of credit products.

We see a unique position within the market for our business; one that provides a meaningful alternative to consumers looking for short-term credit, while placing the Company in a relatively large segment of the market that focuses on those unable to access mainstream financial products. As we move into this space, we have had some issues to resolve in some jurisdictions and our team is actively working on that. We remain confident, though, that our model can work in the current environment and have already moved thousands of customers to lower-cost and more flexible products. From this foundation, the Board has established a plan to continue this move forward.

We have established priorities to improve our operations and capitalize on growth opportunities. While Gord's letter explains these in more detail, I see the role of the Board as providing strategic oversight and accountability. I am a firm believer in developing comprehensive plans in conjunction with the management team and holding management accountable for the effective execution of these plans.

Three directors stepped down from the Board this year - Michael Shaw, Albert Mondor and Robert Gibson – after providing many years of valuable leadership to the Company. We welcomed three new directors:

- Timothy J. Bernlohr, a business consultant specializing in businesses that are in transformation
- Thomas L. Fairfield, a corporate and securities lawyer with an international financial services company
- Donald C. Campion, a senior executive with extensive experience in acquisitions, divestitures and integration activities

Together, our team has an ambitious plan and your Board will be engaged every step of the way to ensure value creation is always at the forefront of our efforts. My fellow board members and I are very eager to collaborate with Gord, his senior team and all of our dedicated employees as we deliver important products and services to our customers, and drive future revenues, earnings and cash flow for our stockholders.

Sincerely,

Eugene I. Davis
Chairman and Director

CEO'S LETTER TO SHAREHOLDERS Gordon J. Reykdal

OVER THE LAST 12 TO 18 MONTHS,

Cash Store Financial has gone through a significant transformation

as we shift the focus of our business away from short-term payday loans and towards longer-term lines of credit. While setting us up for future success, we have faced some challenges along the way and devoted necessary time to addressing these in 2013. By the end of the year, we started seeing some very encouraging signs that spoke to a stronger foundation on which we can continue to build for 2014 and beyond.

A major result from fiscal 2013 that speaks to our strengthened foundation is the improvement in branch operating margin. After adjusting for one-time items, we reported a 53% improvement in branch operating margin year-over-year and a 5% increase in same branch revenue. With 510 branches in Canada and an additional 27 in the UK, this metric speaks to the core of our future success.

We also made some important structural changes this year. It has been over six months since we separated the role of Chairman and Chief Executive Officer and welcomed Eugene Davis to the Board. This move has allowed me to focus on our operations and the growth of the business moving forward, while our new Chairman and directors provide strategic guidance to our company. The renewed discipline that Eugene has brought to the Company is something that will serve us well.

While we are pleased with the foundations cemented in 2013, we are very much focused on our growth plans for 2014. Our strategy centres on five operational improvement areas and three areas for growth.

OPERATIONAL IMPROVEMENTS

Increase loan volume and loan revenue

As a leading provider of alternative financial products and services, serving people for whom traditional banking may be inconvenient or unavailable, we are proud to deliver to our customers' unique financing solutions. With a variety of products that shift the focus from payday loans to longer-term line of credit loans, we are able to maintain customer relationships longer, while expanding our revenue base. We expect to leverage this opportunity to grow our customer base in order to increase loan volume and revenue.

Michael Baker, who has more than 30 years of financial experience at TD, ATB and AIMCo, has joined us as Senior Vice President of Operations. Mike brings a visionary leadership style combined with extensive experience in developing innovative solutions within the financial services sector and expertise in businesses transformation. He will be a critical part of our new product solutions that will provide growth across all our markets.

Diversify with new and enhanced product offerings

We are also able to diversify our revenue base with additional financial products and services, such as bank accounts, prepaid MasterCards, private label credit and debit cards, cheque cashing, money transfers, payment insurance and prepaid phone cards.

Improving credit quality

Through the new line of credit product suite, we are able to encourage customers to maintain longer relationships with us by offering lower costs and greater payment flexibility. As our customers improve their credit rating, we are also improving our credit quality. We look forward to helping more customers graduate up, as we move to products that are closer to a traditional lending institution.

Improve UK performance

In the UK, there are substantially fewer small-sum, short-term loan operations, despite having double the population of Canada. As such, our goal to improve operations in existing locations will be achieved through customer growth and more cost effective relationships with business partners, which will be able to provide other financial products and service offerings.

Reduce corporate overhead

We are committed to reducing corporate expenses in order to improve our results. While we incurred a significant amount of one-time costs in fiscal 2013, we have been reviewing all corporate costs in order to ensure we are operating as efficiently as possible. This will continue.

GROWTH OPPORTUNITIES

Expand UK branch network

In 2013, we added two new locations in the UK and we see the potential for adding additional branches. While there are proposed changes in the regulatory environment in the UK which we will monitor closely, we anticipate further measured expansion of our network in 2014.

Growing online operations

In 2013, we launched consumer testing for online payday lending in Alberta and in the UK and hired Dean Ozanne, an experienced banking executive, as Senior VP of Virtual Operations and Innovation. In the near-term, we will be increasing our online presence to support branch operations in Canada and the UK. These operations will make our services more convenient for customers, which we expect will help to increase loan volume and revenue by reaching markets that are not currently serviced by a branch-front.

Grow Title Store loan business

In 2013, we launched 10 new locations under the Title Store banner, which brokers short-term loans secured against motor vehicles. Over the next several years, we will be launching more locations across Canada and to provide customers with this alternative financing solution.

In closing, in 2013, we made a number of important changes to the Board and management. These changes have added significant experience and expertise and will help us in the execution of our strategy for 2014 and beyond. These experienced executives join an already capable team that is close to 2000 strong across Canada and in the UK, and I want to thank all of our associates for their contribution to our company.

Our goal is quite simple: create more value for you, our shareholders. We value your support and patience as we grow and improve our business.

Sincerely,

Gordon J. Reykdal
Chief Executive Officer

BOARD OF DIRECTORS

EUGENE I. (GENE) DAVIS

Chairman of the Board

Joined the Board of Cash Store Financial on June 26, 2013.

Mr. Davis is also a director of the following five public companies: Atlas Air Worldwide Holdings, Inc., Global Power Equipment Group Inc., Spectrum Brands, Inc., WMI Holdings Corp., and U.S. Concrete, Inc. Mr. Davis is a director of ALST Casino Holdco, LLC and Lumenis Ltd., whose common stock is registered under the Securities Exchange Act of 1934 but does not publicly trade. During the past five years, Mr. Davis has also been a director of Ambassadors International, Inc., American Commercial Lines Inc., Delta Airlines, Dex One Corp., Foamex International Inc., Footstar, Inc., Granite Broadcasting Corporation, GSI Group, Inc., Ion Media Networks, Inc., Knology, Inc., Media General, Inc., Mosaid Technologies, Inc., Ogelbay Norton Company, Orchid Cellmark, Inc., PRG-Schultz International Inc., Roomstore, Inc., Rural/Metro Corp., SeraCare Life Sciences, Inc., Silicon Graphics International, Smurfit-Stone Container Corporation, Solutia Inc., Spansion, Inc., Tipperary Corporation, Trump Entertainment Resorts, Inc., Viskase, Inc. (not a public corporation since 2008) and YRC Worldwide, Inc. As a result of these and other professional experiences, coupled with his strong leadership qualities, Mr. Davis possesses particular knowledge and experience in the areas of strategic planning, mergers and acquisitions, finance, accounting, capital structure and board practices of other corporations that benefits our Company and its Board of Directors.

GORDON J. REYKDAL

Chief Executive Officer

Mr. Reykdal holds the position of Chief Executive Officer of Cash Store Financial, a company he founded in February 2001. He was also the founder, Chairman, President and Chief Executive Officer of RTO Enterprises Inc. from 1991 to 2001. RTO Enterprises Inc. was restructured and became easyhome (TSX:EH).

WILLIAM C. (MICKEY) DUNN

Compensation Committee

Joined the Board of Cash Store Financial on May 12, 2002.

Mr. Dunn has been the Chairman of True Energy Trust Inc., an oil and gas company, since September 2000 and is also a Director for Precision Drilling Inc. as well as Vero Exploration Inc. From 1982 to 2000 he was the President of Cardium Service and Supply Ltd., an oilfield equipment company.

EDWARD C. MCCLELLAND

Corporate Governance and
Nominating Committee

Joined the Board of Cash Store Financial on November 8, 2005.

Mr. McClelland has been the Chairman of TEC (The Executive Committee) Groups #223 & 323, an international organization comprised of over 11,000 CEOs from businesses with revenues of more than $3 million, since 1997. From 1994 to 1996 he was the Vice President of CIBC Finance. Prior to that he was the President of Transamerica/Borg Warner Group of Companies, Canada, Australia, and Europe.

RON CHICOYNE

Audit Committee, Corporate Governance and Nominating Committee

Joined the Board of Cash Store Financial on October 29, 2008.

Mr. Chicoyne holds a Chartered Financial Analyst and Corporate Finance designation and received his Bachelor of Commerce degree from the University of Manitoba. Mr. Chicoyne is an experienced corporate finance professional with applied operational experience in both private and public equity capital markets. Mr. Chicoyne is currently the Managing Director of Links Capital Partners.

TIMOTHY J. BERNLOHR

Chair, Compensation Committee, Corporate Governance and Nominating Committee

Joined the Board of Cash Store Financial on August 14, 2013.

Mr. Bernlohr is the former President and Chief Executive Officer of RBX Industries, Inc. Prior to joining RBX in 1997, Mr. Bernlohr spent 16 years with the International and Industry Products division of Armstrong World Industries, where he served in a variety of management positions. Mr. Bernlohr, age 54, serves as Chairman of the Board of Directors of Champion Home Builders, Inc. and The Manischewitz Co. and is a director of Atlas Air Worldwide Holdings (Nasdaq:AAWW), Chemtura Corp. (NYSE:CHMT) and Rock-Tenn Company (NYSE:RKT). Mr. Bernlohr is a graduate of Penn State University.

THOMAS L. FAIRFIELD

Audit Committee, Compensation Committee

Executive Vice President, Chief Operating Officer, Counsel and Director of Capmark Financial Group Inc.

Joined the Board of Cash Store Financial on August 14, 2013.

Capmark is an international financial services company focused on the commercial real estate industry. Prior to joining Capmark in 2006, Mr. Fairfield, age 55, practiced corporate and securities law for more than 20 years. He holds a Juris Doctor degree from Georgetown University Law Center and a B.S.F.S. from Georgetown University. He is admitted to the bar of the states of Connecticut, Pennsylvania, New York and the District of Columbia, and is a member of the American Bar Association and the National Association of Stock Plan Professionals.

DONALD C. CAMPION

Chair, Audit Committee

Joined the Board of Cash Store Financial on August 14, 2013.

Mr. Campion is a senior executive with broad corporate experience with strategic acquisitions, divestitures, integration activities and international operations. Mr. Campion, age 64, currently serves as a director of Haynes International, Inc. (NASDAQ: HAYN), where he serves as the Chair of the Audit Committee, and is an independent director and Chair of the Audit Committee for three privately held companies. Mr. Campion had been a senior-level financial executive with a number of public and private companies. He spent 27 years with General Motors Corporation where he held various positions including CFO of several operating divisions, and he was the CFO of four privately held companies. Mr. Campion holds an MBA and a B.S. in Applied Mathematics from the University of Michigan.Columbia, and is a member of the American Bar Association and the National Association of Stock Plan Professionals.

COMPANY INFORMATION

SENIOR OFFICERS

Gordon J. Reykdal
Chief Executive Officer

Craig Warnock
Chief Financial Officer

Kevin Paetz
President and Chief Operating Officer
Canadian Operations

Barret J. Reykdal
President and Chief Operating Officer
United Kingdom Operations

Halldor Kristjansson
Senior Executive Vice President
Banking and Credit

Michael Baker
Senior Vice President
Operations

Dean Ozanne
Senior Vice President
Virtual Operations and Innovations

Michael Thompson
Senior Vice President
Corporate Affairs

CORPORATE SECRETARY

Jerry Roczkowsky
Vice President Compliance and
Corporate Secretary

BANKERS

CIBC
Edmonton, Alberta

INDEPENDENT AUDITORS

KPMG LLP
Edmonton, Alberta

SOLICITORS

Cassels Brock and Blackwell LLP
Toronto, Ontario

INVESTOR RELATIONS

NATIONAL Public Relations
Toronto, Ontario

TRANSFER AGENT

Computershare Investor Services Inc.

LISTED

Toronto Stock Exchange
Trading Symbol: CSF

New York Stock Exchange
Trading Symbol: CSFS

CORPORATE HEADQUARTERS

15511 - 123 Avenue
Edmonton, AB T5V 0C3
T: (780) 408-5110
www.csfinancial.ca

ANNUAL GENERAL MEETING

Annual and Special Meeting of Shareholders of The Cash Store Financial Services Inc. will be held at the Sheraton Gateway Hotel at the Toronto Pearson International Airport, Montreux Room, Terminal 3, Toronto, Ontario on Monday, February 3, 2014 at 9:00 a.m. EST.


CASH ADVANCE CENTERS
The Cash Store
MONEY TRANSFER
Cheque CASHING
Payday LOANS


instaloans
UP TO $5000
WE APPROVE!
BANK ACCOUNTS
PREPAID CREDIT


The Cash Store
CASH ADVANCE CENTERS
The Cash Store
MONEY TRANSFER
OPEN
YOU DESERVE A BETTER KIND OF LOAN
YOU DESERVE UP TO $5000
PREPAID PHONE CARDS
FINANCIAL SERVICES
MONEY TRANSFER
CHEQUE CASHING
BANK ACCOUNTS


Cash Store
FINANCIAL

Cash Store
FINANCIAL

HONESTY | INTEGRITY | LOYALTY | TEAMWORK

EXHIBIT Q

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	
	)	Case No. 15-10937 (SMB)
OAS S.A., *et al.*,[1]	)	(Jointly Administered)
	)	
Debtors in Foreign Proceedings	)	Chapter 15
	)	

ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDINGS

Upon the *Verified Petition for Recognition of Brazilian Bankruptcy Proceedings and Motion for Order Granting Related Relief pursuant to 11 U.S.C. §§ 1515, 1517, 1520 and 1521* (the "Verified Petition") [ECF No. 3] dated April 15, 2015 of Renato Fermiano Tavares (the "Petitioner"), in his capacity as the authorized foreign representative for OAS S.A., Construtora OAS S.A. and OAS Investments GmbH, (collectively, the "Debtors") certain of the debtors in the above-captioned chapter 15 cases,[2] for entry of an Order (this "Order") after notice and a hearing, (a) granting the forms of petition (the "Forms of Petition" and, together with the Verified Petition, the "Petition") [ECF No. 1] and recognizing the judicial reorganization proceedings in respect of the Debtors (the "Brazilian Bankruptcy Proceedings") before the First Specialized Bankruptcy Court of São Paulo pursuant to Federal Law No. 11.101 of February 9, 2005 of the laws of the Federative Republic of Brazil as foreign main proceedings pursuant to section 1517 of the title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), (b) recognizing the Petitioner as the "foreign representative," as defined in section

[1] The debtors in these chapter 15 cases, along with the last four digits of each debtor's tax identification or corporate registry number, are: OAS S.A. (01-05); Construtora OAS S.A. (01-08), OAS Investments GmbH (4557), and OAS Finance Limited (6299).

[2] This Order and the findings of fact and conclusions of law in the Court's Memorandum Decision (as defined below) do not address the recognition of the Brazilian Bankruptcy Proceeding of debtor OAS Finance Limited.

101(24) of the Bankruptcy Code, in respect of the Brazilian Bankruptcy Proceedings of the Debtors, and (c) granting such other and further relief as the Court deems just and proper; and it appearing that this Court has jurisdiction to consider the Petition pursuant to sections 157 and 1334 of title 28 of the United States Code, and the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y. Jan. 31, 2012) (Preska, C.J.) (the "Amended Standing Order"); and based upon the evidence presented at the hearing on the Petition before this Court on May 19, 2015 (the "Hearing"); and the statements of counsel at closing argument on the Petition before this Court on June 15, 2015; and appropriate and timely notice of the filing of the Petition and the Hearing having been given; and no other or further notice being necessary or required; and this Court having issued its *Memorandum Decision Recognizing Debtors' Brazilian Bankruptcy Proceedings as Foreign Main Proceedings* dated July 13, 2015 [ECF No. 81] (the "Memorandum Decision"); and after due deliberation and sufficient cause appearing therefor;

NOW THEREFORE, BASED ON THE FOREGOING IT IS HEREBY ORDERED AS FOLLOWS:

1. The Debtors' Brazilian Bankruptcy Proceedings are recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code, and all objections to the Petition are overruled to the extent inconsistent with the provisions of the Memorandum Decision.

2. Petitioner is hereby determined to be the duly appointed foreign representative (as such term is defined in section 101(24) of the Bankruptcy Code) of the Debtors' Brazilian Bankruptcy Proceedings, and qualified to act as foreign representative of the Debtors' Brazilian Bankruptcy Proceedings in these chapter 15 cases.

3. The Petitioner having withdrawn without prejudice all requests in the Petition for discretionary relief, such relief is denied without prejudice and nothing in this Order shall prejudice any party's rights with respect to any other or further relief.

4. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order.

Dated: New York, New York
August 3rd, 2015

/s/ STUART M. BERNSTEIN
THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT R

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 15
SINO-FOREST CORPORATION,	)	Case No. 13-10361 (MG)
Debtor in a Foreign Proceeding.	)	

ORDER GRANTING RECOGNITION OF FOREIGN PROCEEDING, ENFORCEMENT OF CANADIAN ORDERS, AND RELATED RELIEF

Upon consideration of the *Verified Petition for Recognition of Foreign Proceeding and Related Relief* which was filed on February 4, 2013 (the "**Chapter 15 Petition**")[1] by FTI Consulting Canada Inc. the court-appointed monitor (the "**Monitor**") and authorized foreign representative of the proceeding (the "**Canadian Proceeding**") of Sino-Forest Corporation ("**SFC**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**") pending before the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**"), commencing the above-captioned chapter 15 case (the "**Chapter 15 Case**") pursuant to sections 1504, 1509, and 1515 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**") and seeking the entry of an order (i) recognizing the Canadian Proceeding as a "foreign main proceeding" pursuant to sections 1515 and 1517 of the Bankruptcy Code and (ii) giving full force and effect in the United States to (a) the Initial Order of the Ontario Court dated March 30, 2012, including any extensions or amendments thereof (the "**Initial Order**") and (b) the Plan Sanction Order of the Ontario Court dated December 10, 2012, including any extensions or amendments thereof (the "**Plan Sanction Order**," and with the Initial Order, the "**Canadian Orders**") sanctioning SFC's plan of

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Chapter 15 Petition.

compromise and reorganization dated December 3, 2012 (as the same may be amended, revised or supplemented in accordance with its terms, the "**Plan**"),[2] pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the "Amended Standing Order of Reference Re: Title 11" of the United States District Court for the Southern District of New York (Preska, C.J.) dated January 31, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and it appearing that venue is proper in this District pursuant to 28 U.S.C. §§ 1410(2) and (3); and the Court having considered and reviewed the *Memorandum of Law in Support of Chapter 15 Petition for Recognition of Foreign Proceeding and Related Relief* (the "**Memorandum of Law**") and the *Declaration of Jeremy C. Hollembeak* dated February 4, 2013 (the "**Hollembeak Declaration**") and the exhibits attached thereto, both filed contemporaneously with the Chapter 15 Petition; and the Court having held a hearing to consider the relief requested in the Chapter 15 Petition on March 6, 2013 (the "**Recognition Hearing**"); and it appearing that timely notice of the filing of the Chapter 15 Petition, the Memorandum of Law, the Hollembeak Declaration, and the Recognition Hearing has been given to SFC's known creditors and that no other or further notice need be provided; and upon all the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. On March 30, 2012 (the "**Filing Date**"), the Canadian Proceeding was commenced by SFC under the CCAA in the Ontario Court.

[2] The Initial Order and the Plan Sanction Order are attached hereto as Exhibit A and Exhibit B, respectively, while the Plan is annexed as Schedule A to the Plan Sanction Order.

B. As of the Filing Date, SFC was a Canadian corporation amalgamated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, with its registered office in Mississauga, Ontario, and its common shares were listed on the Toronto Stock Exchange.

C. As of the Filing Date, SFC's indebtedness included indebtedness related to its issuance of four series of notes aggregating approximately $1.8 billion in principal amount (the "**Notes**")[3] governed by separate indentures (collectively, the "**Notes Indentures**").

D. As of the Filing Date, multiple class action lawsuits were pending against SFC, among other defendants (as defined in the Plan, the "**Class Actions**"), including one such action in the United States originally commenced in the Supreme Court of the State New York, County of New York, and subsequently removed to the United States District Court for the Southern District of New York and assigned the case caption *David Leapard, et al., v. Allen T.Y. Chan, et al.*, Case No. 1:12-cv-01726 (VM) (S.D.N.Y.).

E. On the Filing Date, a Restructuring Support Agreement was executed by SFC, its direct subsidiaries and certain Noteholders[4] (as may be amended, restated and varied from time to time in accordance with its terms and the terms of the Plan and the Plan Sanction Order, the "**RSA**").

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[3] The Notes include: (i) $600M issued October 21, 2010 and due October 21, 2017, interest payable semi-annually at 6.25% per annum, guaranteed by 60 of SFC's direct and indirect subsidiaries and share pledges from 10 of such subsidiaries (the "**2017 Notes**"); (ii) $460M issued December 17, 2009 and due December 15, 2016, interest payable semi-annually at 4.25% per annum, guaranteed by 64 of SFC's direct and indirect subsidiaries (the "**2016 Notes**"); (iii) $399M issued July 27, 2009 and due July 28, 2014, interest payable semi-annual at 10.25% per annum, guaranteed by 60 of SFC's direct and indirect subsidiaries and share pledges from 10 of such subsidiaries (the "**2014 Notes**"); and (iv) $345M issued July and August 2008 due August 1, 2013, interest payable semi-annually at 5% per annum, guaranteed by 64 of SFC's direct and indirect subsidiaries (the "**2013 Notes**").

[4] **"Noteholders"** means, collectively, the beneficial owners of Notes as of the Distribution Record Date and, as the context requires, the registered holders of Notes as of the Distribution Record Date, and "Noteholder" means anyone of the Noteholders. **"Distribution Record Date"** means the Plan Implementation Date, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

F. On the Filing Date, the Ontario Court entered the Initial Order, which provided, among other relief, for a Stay Period (as defined below) during which the commencement or continuation of certain proceedings or enforcement processes against or in respect of certain parties or property were stayed. During the pendency of the Canadian Proceeding, the Ontario Court extended the Stay Period on multiple occasions, including pursuant to a November 23, 2012 order extending the Stay Period through February 3, 2013. The Ontario Court has not entered any order extending the Stay Period in the Initial Order past February 1, 2013 with respect to any party except with respect to the Monitor as discussed below.

G. On December 3, 2012, a meeting of creditors was held at the offices of Gowling Lafleur Henderson LLP, Canadian counsel to the Monitor, where the Plan was approved by the requisite number and amount of creditors required for approval under the CCAA.

H. On December 7, 2012, a hearing was held before the Ontario Court for the approval of the Plan.

I. On December 10, 2012, the Ontario Court granted the Plan Sanction Order, and approved the Plan.

J. On January 30, 2013 (the "**Plan Implementation Date**"), the Plan was implemented in Canada.

K. On February 4, 2013, the Monitor commenced this Chapter 15 Case and requested the relief set forth in the Chapter 15 Petition.

L. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

M. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

N. Venue is proper in this District pursuant to 28 U.S.C. §§ 1410(3).

O. The Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code.

P. The Canadian Proceeding is a "foreign main proceeding" within the meaning of section 1502(4) of the Bankruptcy Code because the Canadian Proceeding is pending in Canada, the location of the center of main interests for SFC.

Q. The Monitor is a "person" within the meaning of section 101(41) of the Bankruptcy Code and a "foreign representative" within the meaning of section 101(24) of the Bankruptcy Code.

R. The Chapter 15 Petition meets the requirements of sections 1504, 1509, and 1515 of the Bankruptcy Code.

S. Recognizing the Canadian Proceeding would not be manifestly contrary to the public policy of the United States, as prohibited by section 1506 of the Bankruptcy Code.

T. The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

U. The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

V. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

W. The interest of the public will be served by this Court granting the relief requested by the Monitor as provided for herein.

NOW THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code.

2. All provisions of section 1520 of the Bankruptcy Code apply in this Chapter 15 Case throughout the duration of this Chapter 15 Case or until otherwise ordered by this Court; ***provided***, ***however***, that the application of section 362 of the Bankruptcy Code in this case pursuant to section 1520 of the Bankruptcy Code shall apply only with respect to SFC and the property of SFC, if any, that is within the territorial jurisdiction of the United States. For the avoidance of doubt, the provisions of this Order shall not and shall not be deemed to release, enjoin, impose a stay of, or otherwise impact any claims and/or proceedings unless such claims and/or proceedings are released, enjoined, stayed, or otherwise impacted by the Plan and/or the Plan Sanction Order; ***provided***, ***however***, that nothing in this Order shall limit any stay relief in effect in the Canadian Proceeding with respect to the Monitor within the United States.

3. Paragraphs 17, 19, and 28-36 of the Initial Order,[5] solely as they relate to the Monitor as set forth in full below,[6] are hereby given full force and effect in the United States and are binding on all persons subject to this Court's jurisdiction pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code:[7]

> ***Paragraph 17***. [U]ntil and including April 29, 2012, or such later date as [the Ontario Court] may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect

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5 Capitalized terms in these provisions, unless defined herein, shall have the meaning ascribed to them in the Initial Order.

6 Pursuant to an order of the Ontario Court, the protections granted to the Monitor in the Initial Order remain effective and will continue through its fulfillment of post-implementation duties. *See* Order of the Ontario Court regarding post-implementation matters dated January 31, 2013 (attached as Exhibit J to Dkt. No. 4, *Declaration of Jeremy C. Hollembeak in Support of Petition for Recognition of Foreign Proceeding and Related Relief*), at ¶ 4.

7 For the avoidance of doubt, the omitted language in the following paragraphs is not subject to the terms of this Order.

of … the Monitor … except with the written consent of [SFC] and the Monitor, or with leave of [the Ontario Court] ….

Paragraph 19. [D]uring the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**" [as used in the Initial Order]) against or in respect of … the Monitor … are hereby stayed and suspended and shall not be commenced, proceeded with or continued, except with the written consent of [SFC] and the Monitor, or leave of [the Ontario Court], provided that nothing in [the Initial Order] shall … (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, [or] (iv) prevent the registration of a claim for lien ....

Paragraph 28. [FTI Canada Consulting Inc.] is hereby appointed pursuant to the CCAA as the Monitor, an officer of [the Ontario Court], to monitor the business and financial affairs of [SFC] with the powers and obligations set out in the CCAA or set forth [in the Initial Order] and that [SFC] and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by [SFC] pursuant to [the Initial Order], and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

Paragraph 29. [T]he Monitor, in addition to its prescribed rights and obligations under the CCAA, is … directed and empowered to: … (b) report to [the Ontario Court] at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein; … (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of [SFC] to the extent that is necessary to adequately assess [SFC's] business and financial affairs or to perform its duties arising under [the Initial Order]; … (g) be at liberty to engage independent legal counselor such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under [the Initial Order]; … (i) perform such other duties as are required by [the Initial Order] or by [the Ontario Court] from time to time.

Paragraph 30. [W]ithout limiting paragraph 29 above, in carrying out its rights and obligations in connection with [the Initial Order], the Monitor shall be entitled to take such reasonable steps and use such services as it deems necessary in discharging its powers and obligations, including, without limitation, utilizing the services of FTI Consulting (Hong Kong) Limited ("**FTI HK**").

Paragraph 31. [T]he Monitor shall not take possession of the Property (or any property or assets of [SFC's] subsidiaries) and shall take no part whatsoever in the management or supervision of the management of the Business (or any business of [SFC's] subsidiaries) and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof (or of any business, property or assets, or any part thereof, of any subsidiary of [SFC]).

Paragraph 32. [N]othing … contained [in the Initial Order] shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property (or any property of any subsidiary of [SFC]) that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing [in the Initial Order] shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of [the Initial Order] or anything done in pursuance of the Monitor's duties and powers under [the Initial Order], be deemed to be in Possession of any of the Property (or of any property of any subsidiary of [SFC]) within the meaning of any Environmental Legislation, unless it is actually in possession.

Paragraph 33. [T]he Monitor shall provide any creditor of [SFC] with information provided by [SFC] in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by [SFC] is confidential, the Monitor shall not provide such Information to creditors unless otherwise directed by [the Ontario Court] or on such terms as the Monitor and [SFC] may agree.

Paragraph 34. [I]n addition to the rights and protections afforded the Monitor under the CCAA or as an officer of [the Ontario Court], the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of [the Initial Order], save and except for any gross negligence or willful misconduct on its part. Nothing in [the Initial Order] shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

Paragraph 35. [T]he Monitor, counsel to the Monitor, … [and] FTI HK … shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by [SFC], whether incurred prior to or subsequent to the date of [the Initial Order], as part of the costs of these proceedings. [SFC] is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, … [and] FTI HK] … on a weekly basis or otherwise in accordance with the terms of their engagement letters.

Paragraph 36. [T]he Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

4. The Plan and Plan Sanction Order, in their entirety, are hereby given full force and effect in the United States and are binding on all persons subject to this Court's

jurisdiction pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code. All rights of creditors and parties in interest of SFC with respect to the Canadian Proceeding, including without limitation, the allowance, disallowance, and dischargeability of claims under the Plan and the restructuring transactions contemplated thereunder, shall be assessed, entered and/or resolved in accordance with the Plan and/or the relevant provisions of the CCAA and the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, or as otherwise determined in the Canadian Proceeding, and each and every creditor or party in interest is permanently restricted, enjoined and barred from asserting such rights, except as may have been or may be asserted in the Canadian Proceeding or in accordance with the Plan.

5. Without limitation as to the relief in the preceding paragraph, the following provisions of the Plan and Plan Sanction Order are hereby given full force and effect in the United States and are binding on all persons subject to this Court's jurisdiction pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code:[8]

Article 7 of the Plan[9]
RELEASES

7.1 ***Plan Releases***. Subject to 7.2 [of the Plan], all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date:

(a) all Affected Claims,[10] including all Affected Creditor Claims,[11] Equity Claims,[12]

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8 Capitalized terms in these provisions, unless defined herein, shall have the meaning ascribed to them in the Plan.

9 As effectuated by Paragraphs 30, 32, and 38 of the Plan Sanction Order.

10 **"Affected Claim"** means any Claim, D&O Claim or D&O Indemnity Claim that is not: an Unaffected Claim; a Section 5.1(2) D&O Claim; a Conspiracy Claim; a Continuing Other D&O Claim; a Non-Released D&O Claim; or a Subsidiary Intercompany Claim, and "Affected Claim" includes any Class Action Indemnity Claim. For greater certainty, all of the following are Affected Claims: Affected Creditor Claims; Equity Claims; Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims); and Class Action Indemnity Claims.

11 **"Affected Creditor Claim"** means any Ordinary Affected Creditor Claim or Noteholder Claim.

"Ordinary Affected Creditor Claim" means a Claim that is not: an Unaffected Claim; a Noteholder Claim; an Equity Claim; a Subsidiary Intercompany Claim; a Noteholder Class Action Claim; or a Class

Action Indemnity Claim (other than a Class Action Indemnity Claim by any of the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims).

"Noteholder Claim" means any Claim by a Noteholder (or a Trustee or other representative on the Noteholder's behalf) in respect of or in relation to the Notes owned or held by such Noteholder, including all principal and Accrued Interest payable to such Noteholder pursuant to such Notes or the Note Indentures, but for greater certainty does not include any Noteholder Class Action Claim.

"Unaffected Claim" means any: (a) Claim secured by the Administration Charge; (b) Government Priority Claim; (c) Employee Priority Claim; (d) Lien Claim; (e) any other Claim of any employee, former employee, Director or Officer of SFC in respect of wages, vacation pay, bonuses, termination pay, severance pay or other remuneration payable to such Person by SFC, other than any termination pay or severance pay payable by SFC to a Person who ceased to be an employee, Director or Officer of SFC prior to the date of this Plan; (f) Trustee Claims; and (g) any trade payables that were incurred by SFC (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order or other Order issued in the CCAA Proceeding.

"Administration Charge" has the meaning ascribed thereto in ¶ 37 of the Initial Order.

"Government Priority Claims" means all Claims of Governmental Entities in respect of amounts that were outstanding as of the Plan Implementation Date and that are of a kind that could be subject to a demand under: (a) subsections 224(1.2) of the Canadian Tax Act; (b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee's premium or employer's premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII. 1 of that Act, and of any related interest, penalties or other amounts; or (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum: (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

"Employee Priority Claims" means the following Claims of employees and former employees of SFC: (a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if SFC had become bankrupt on the Filing Date; and (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date.

"Lien Claim" means any Proven Claim of a Person indicated as a secured creditor in Schedule "B" to the Initial Order (other than the Trustees) that is secured by a lien or encumbrance on any property of SFC, which lien is valid, perfected and enforceable pursuant to Applicable Law, provided that the Charges and any Claims in respect of Notes shall not constitute "Lien Claims."

"Trustee Claims" means any rights or claims of the Trustees against SFC under the Note Indentures for compensation, fees, expenses, disbursements or advances, including reasonable legal fees and expenses, incurred or made by or on behalf of the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan. **"Trustees"** means, collectively, The Bank of New York Mellon in its capacity as trustee for the 2013 Notes and the 2016 Notes, and Law Debenture Trust Company of New York in its capacity as trustee for the 2014 Notes and the 2017 Notes, and "Trustee" means either one of them.

12 **"Equity Claim"** means a Claim that meets the definition of "equity claim" in section 2(1) of the CCAA and, for greater certainty, includes any of the following: (a) any claim against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including the claims by or on behalf of current or former shareholders asserted in the Class Actions; (b) any indemnification claim against SFC related to or arising from the claims described in sub-paragraph (a), including any such indemnification claims against SFC by or on behalf of any and all of the Third Party Defendants (other than for Defense Costs, unless any

D&O Claims[13] (other than Section 5.1(2) D&O Claims,[14] Conspiracy Claims,[15] Continuing Other D&O Claims[16] and Non-Released D&O Claims[17]), D&O Indemnity Claims[18] (except as set forth in section 7.1(d) [of the Plan]) and

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such claims for Defense Costs have been determined to be Equity Claims subsequent to the date of the Equity Claims Order); and (c) any other claim that has been determined to be an Equity Claim pursuant to an Order of the Court.

"Defense Costs" means, as set forth in section 4.8 of the Plan, all Claims against SFC for indemnification of defense costs incurred by any Person (other than a Named Director or Officer) in connection with defending against Shareholder Claims (as defined in the Equity Claims Order), Noteholder Class Action Claims or any other claims of any kind relating to SFC or the Subsidiaries.

"Equity Claims Order" means the Order under the CCAA of the Honourable Justice Morawetz dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein.

[13] **"D&O Claim"** means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers of SFC, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any monetary administrative or other monetary penalty or claim for costs asserted against any Officer or Director of SFC by any Governmental Entity) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers of SFC or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date.

[14] **"Section 5.1(2) D&O Claim"** means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any D&O Claim that qualifies as a Non-Released D&O Claim or a Continuing Other D&O Claim shall not constitute a Section 5.1(2) D&O Claim.

[15] **"Conspiracy Claim"** means any D&O Claim alleging that the applicable Director or Officer committed the tort of civil conspiracy, as defined under Canadian common law.

[16] **"Continuing Other D&O Claims"** means, as set forth in section 4.9(b) of the Plan, all D&O Claims against the Other Directors and/or Officers which shall not be compromised, released, discharged, cancelled or barred by the Plan and which shall be permitted to continue as against the applicable Other Directors and/or Officers.

[17] **"Non-Released D&O Claims"** means, as set forth in section 4.9(f) of the Plan, all D&O Claims against the Directors and Officers of SFC or the Subsidiaries for fraud or criminal conduct which shall not be compromised, discharged, released, cancelled or barred by the Plan and which shall be permitted to continue as against all applicable Directors and Officers.

[18] **"D&O Indemnity Claim"** means any existing or future right of any Director or Officer of SFC against SFC that arose or arises as a result of any Person filing a D&O Proof of Claim (as defined in the Claims

Noteholder Class Action Claims[19] (other than the Continuing Noteholder Class Action Claims[20]);

(b) all Claims[21] of the Ontario Securities Commission or any other Governmental Entity[22] that have or could give rise to a monetary liability, including fines,

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Procedure Order) in respect of such Director or Officer of SFC for which such Director or Officer of SFC is entitled to be indemnified by SFC.

19 **"Noteholder Class Action Claim"** means any Class Action Claim, or any part thereof, against SFC, any of the Subsidiaries, any of the Directors and Officers of SFC or the Subsidiaries, any of the Auditors, any of the Underwriters and/or any other defendant to the Class Action Claims that relates to the purchase, sale or ownership of Notes, but for greater certainty does not include a Noteholder Claim.

"Subsidiaries" means all direct and indirect subsidiaries of SFC, other than (i) Greenheart and its direct and indirect subsidiaries and (ii) SFC Escrow Co., and **"Subsidiary"** means anyone of the Subsidiaries. **"Greenheart"** means Greenheart Group Limited, a company established under the laws of Bermuda.

"Auditors" means the former auditors of SFC that are named as defendants to the Class Actions Claims, including for greater certainty Ernst & Young LLP and BDO Limited.

"Underwriters" means any underwriters of SFC that are named as defendants in the Class Action Claims, including for greater certainty Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC).

20 **"Continuing Noteholder Class Action Claim"** means any Noteholder Class Action Claim that is: (i) a Section 5.1(2) D&O Claim; (ii) a Conspiracy Claim; (iii) a Non-Released D&O Claim; (iv) a Continuing Other D&O Claim; (v) a Noteholder Class Action Claim against one or more Third Party Defendants that is not an Indemnified Noteholder Class Action Claim; (vi) the portion of an Indemnified Noteholder Class Action Claim that is permitted to continue against the Third Party Defendants, subject to the Indemnified Noteholder Class Action Limit, pursuant to section 4.4(b)(i) [of the Plan].

21 **"Claim"** means any right or claim of any Person that may be asserted or made against SFC, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including any Directors or Officers of SFC or any of the Subsidiaries) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or Claim of any kind that would be a claim provable against SFC in bankruptcy within the meaning of the BIA had SFC become bankrupt on the Filing Date, or is an Equity Claim, a Noteholder Class Action Claim against SFC, a Class Action Indemnity Claim against SFC, a Restructuring Claim or a Lien Claim, provided, however, that "Claim" shall not include a D&O Claim or a D&O Indemnity Claim.

"BIA" means the Bankruptcy and Insolvency Act, R. S. C. 1985, c. B-3.

"Restructuring Claim" means any right or claim of any Person that may be asserted or made in whole or in part against SFC, whether or not asserted or made, in connection with any indebtedness, liability or

awards, penalties, costs, claims for reimbursement or other claims having a monetary value;

(c) all Class Action Claims[23] (including the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers[24] of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);

(d) all Class Action Indemnity Claims[25] (including related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party Defendants[26] against SFC in respect of the Indemnified Noteholder Class Action Claims[27] (including any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit[28] pursuant to the releases set out in section 7.1(f) of the Plan and the injunctions set out in section 7.3 of the Plan;

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obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Procedure Order.

"Claims Procedure Order" means the Order under the CCAA of the Honourable Justice Morawetz dated May 14, 2012, establishing, among other things, a claims procedure in respect of SFC and calling for claims in respect of the Subsidiaries, as such Order may be amended, restated or varied from time to time.

22 **"Governmental Entity"** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

23 **"Class Action Claims"** means, collectively, any rights or claims of any kind advanced or which may subsequently be advanced in the Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise, and for greater certainty includes any Noteholder Class Action Claims.

24 **"Named Directors and Officers"** means Andrew Agnew, William E. Ardell, James Bowland, Leslie Chan, Michael Cheng, Lawrence Hon, James M.E. Hyde, Richard M. Kimel, R. John (Jack) Lawrence, Jay A. Lefton, Edmund Mak, Tom Maradin, Judson Martin, Simon Murray, James F. O'Donnell, William P. Rosenfeld, Peter Donghong Wang, Garry West and Kee Y. Wong, in their respective capacities as Directors or Officers, and "Named Director or Officer" means anyone of them.

25 **"Class Action Indemnity Claim"** means any right or claim of any Person that may be asserted or made in whole or in part against SFC and/or any Subsidiary for indemnity, contribution, reimbursement or otherwise from or in connection with any Class Action Claim asserted against such Person. For greater certainty, Class Action Indemnity Claims are distinct from and do not include Class Action Claims.

26 **"Third Party Defendants"** means any defendants to the Class Action Claims (present or future) other than SFC, the Subsidiaries, the Named Directors and Officers or the Trustees.

27 **"Indemnified Noteholder Class Action Claim"** means, as set forth in section 4.4(b)(i) of the Plan, the collective aggregate amount of all rights and claims asserted or that may be asserted against the Third Party Defendants in respect of any such Noteholder Class Action Claims for which any such Persons in each case have a valid and enforceable Class Action Indemnity Claim against SFC.

28 **"Indemnified Noteholder Class Action Limit"** means $150 million or such lesser amount agreed to by SFC, the Monitor, the Initial Consenting Noteholders and counsel to the Ontario Class Action Plaintiffs

(e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Class Action Indemnity Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;

(h) any and all Excluded Litigation Trust Claims;[29]

(i) any and all Causes of Action[30] against Newco, [31] Newco II, [32] the directors and

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prior to the Plan Implementation Date or agreed to by the Initial Consenting Noteholders and counsel to the Class Action Plaintiffs after the Plan Implementation Date.

[29] **"Excluded Litigation Trust Claims"** means, as set forth in section 4.12(a) of the Plan, those Causes of Action that, at any time prior to the Plan Implementation Date, SFC and the Initial Consenting Noteholders may agree to exclude from the Litigation Trust Claims.

"Litigation Trust Claims" means any Causes of Action that have been or may be asserted by or on behalf of: (a) SFC against any and all third parties; or (b) the Trustees (on behalf of the Noteholders) against any and all Persons in connection with the Notes issued by SFC; provided, however, that in no event shall the Litigation Trust Claims include any (i) claim, right or cause of action against any Person that is released pursuant to Article 7 of the Plan or (ii) any Excluded Litigation Trust Claim. For greater certainty: (x) the claims being advanced or that are subsequently advanced in the Class Actions are not being transferred to the Litigation Trust; and (y) the claims transferred to the Litigation Trust shall not be advanced in the Class Actions.

"Litigation Trust" means the trust to be established on the Plan Implementation Date at the time specified in section 6.4(p) in accordance with the Litigation Trust Agreement pursuant to the laws of a jurisdiction that is acceptable to SFC and the Initial Consenting Noteholders, which trust will acquire the Litigation Trust Claims and will be funded with the Litigation Funding Amount in accordance with the Plan and the Litigation Trust Agreement.

[30] **"Causes of Action"** means any and all claims, actions, causes of action, demands, counterclaims, suits, rights, entitlements, litigation, arbitration, proceeding, hearing, complaint, debt, obligation, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries of whatever nature that any Person may be entitled to assert in law, equity or otherwise, whether known or unknown, foreseen or unforeseen, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly, indirectly or derivatively, existing or hereafter arising and whether pertaining to events occurring before, on or after the Filing Date.

"Encumbrance" means any security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge,

officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, [33] the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, [34] the Noteholder Advisors, [35] and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, notwithstanding anything to the contrary [in the Plan], any Unaffected Claims); Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, [36] Equity Interests[37] or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;

(j) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the

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demand, action, liability or other claim, action, demand or liability of any kind whatsoever, whether proprietary, financial or monetary, and whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including: (i) any of the Charges; and (ii) any charge, security interest or claim evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system.

"Charges" means the Administration Charge and the Directors' Charge. **"Directors' Charge"** has the meaning ascribed thereto in ¶ 26 of the Initial Order.

31 **"Newco"** means the new corporation to be incorporated pursuant to section 6.2(a) of the Plan under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

32 **"Newco II**" means the new corporation to be incorporated pursuant to section 6.2(b) [of the Plan] under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

33 **"Transfer Agent"** means Computershare Limited (or a subsidiary or affiliate thereof) or such other transfer agent as Newco may appoint, with the prior written consent of the Monitor and the Initial Consenting Noteholders.

34 **"SFC Advisors"** means Bennett Jones LLP, Appleby Global Group, King & Wood Mallesons and Linklaters LLP, in their respective capacities as legal advisors to SFC, and Houlihan Lokey Howard & Zukin Capital, Inc., in its capacity as financial advisor to SFC.**"**

35 **"Noteholder Advisors"** means Goodmans LLP, Hogan Lovells and Conyers, Dill & Pearman LLP in their capacity as legal advisors to the Initial Consenting Noteholders, and Moelis & Company LLC and Moelis and Company Asia Limited, in their capacity as the financial advisors to the Initial Consenting Noteholders.

36 **"Existing Shares"** means all existing shares in the equity of SFC issued and outstanding immediately prior to the Effective Time and all warrants, options or other rights to acquire such shares, whether or not exercised as at the Effective Time.

37 **"Equity Interest"** has the meaning set forth in section 2(1) of the CCAA.

Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction,[38] the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including the creation of Newco and/or Newco II and the creation, issuance or distribution of the Newco Shares,[39] the Newco Notes,[40] the Litigation Trust or the Litigation Trust Interests,[41] provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be;

(k) any and all Causes of Action against the Subsidiaries for or in connection with any Claim (including, notwithstanding anything to the contrary [in the Plan], any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the

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38 **"Restructuring Transaction"** means the transactions contemplated by the Plan (including any Alternative Sale Transaction that occurs pursuant to section 10.1 of the Plan). **"Alternative Sale Transaction"** means, as set forth in section 10.1 of the Plan, that transaction which, at any time prior to the Plan Implementation Date (whether prior to or after the granting of the Sanction Order), and subject to the prior written consent of the Initial Consenting Noteholders, SFC may complete which constitutes a sale of all or substantially all of the SFC Assets on terms that are acceptable to the Initial Consenting Noteholders.

39 **"Newco Shares"** means common shares in the capital of Newco.

40 **"Newco Notes"** means the new notes to be issued by Newco on the Plan Implementation Date in the aggregate principal amount of $300,000,000, on such terms and conditions as are satisfactory to the Initial Consenting Noteholders and SFC, acting reasonably.

41 **"Litigation Trust Interests"** means the beneficial interests in the Litigation Trust to be created on the Plan Implementation Date.

Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors[42] or Officers[43] of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;

(l) all Subsidiary Intercompany Claims[44] as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);

(m) any entitlements of Ernst & Young[45] to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;

(n) any entitlements of the Named Third Party Defendants[46] to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests)

(o) any entitlements of the Underwriters to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this

7.2 ***Claims Not Released***. Notwithstanding anything to the contrary in section 7.1 [of the Plan], nothing in [the] Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

(a) SFC of its obligations under the Plan and the [Plan] Sanction Order;

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42 **"Subsidiary Intercompany Claim"** means any Claim by any Subsidiary or Greenheart against SFC.

43 **"Director"** means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or de facto director of such SFC Company.

44 **"Officer"** means, with respect to SFC or any Subsidiary, anyone who is or was, or may he deemed to be or have been, whether by statute, operation of law or otherwise, an officer or de facto officer of such SFC Company.

45 **"Ernst & Young"** means Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but excludes any Director or Officer (in their capacity as such) and successors, administrators, heirs and assigns of any Director or Officer (in their capacity as such).

46 **"Named Third Party Defendants"** means the Third Party Defendants listed on Schedule "A" to the Plan in accordance with section 11.2(a) of the Plan, provided that only Eligible Third Party Defendants may become Named Third Party Defendants.

(b) SFC from or in respect of any Unaffected Claims (provided that recourse against SFC in respect of Unaffected Claims shall be limited in the manner set out in section 4.2 [of the Plan];

(c) any Directors or Officers of SFC or the Subsidiaries from any Non-Released D&O Claims, Conspiracy Claims or any Section 5.1(2) D&O Claims, provided that recourse against the Named Directors or Officers of SFC in respect of any Section 5.1(2) D&O Claims and any Conspiracy Claims shall be limited in the manner set out in section 4.9(e) [of the Plan];

(d) any Other Directors and/or Officers[47] from any Continuing Other D&O Claims, provided that recourse against the Other Directors and/or Officers in respect of the Indemnified Noteholder Class Action Claims shall be limited in the manner set out in section 4.4(b)(i) [of the Plan];

(e) the Third Party Defendants from any claim, liability or obligation of whatever nature for or in connection with the Class Action Claims, provided that the maximum aggregate liability of the Third Party Defendants collectively in respect of the Indemnified Noteholder Class Action Claims shall be limited to the Indemnified Noteholder Class Action Limit pursuant to section 4.4(b)(i) [of the Plan] and the releases set out in sections 7.1(e) and 7.1(f) [of the Plan] and the injunctions set out in section 7.3 [of the Plan];

(f) Newco II from any liability to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims assumed by Newco II pursuant to section 6.4(x) [of the Plan];

(g) the Subsidiaries from any liability to Newco II in respect of the SFC Intercompany Claims conveyed to Newco II pursuant to section 6.4(x) [of the Plan];

(h) SFC of or from any investigations by or non-monetary remedies of the Ontario Securities Commission, provided that, for greater certainty, all monetary rights, claims or remedies of the Ontario Securities Commission against SFC shall be treated as Affected Creditor Claims in the manner described in section 4.1 [of the Plan];

(i) the Subsidiaries from their respective indemnification obligations (if any) to Directors or Officers of the Subsidiaries that relate to the ordinary course operations of the Subsidiaries and that have no connection with any of the matters listed in section 7.1(i) [of the Plan];

(j) SFC or the Directors and Officers from any Insured Claims,[48] provided that recovery for Insured Claims shall be irrevocably limited to recovery solely from

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47 **"Other Directors and/or Officers"** means any Directors and/or Officers other than the Named Directors and Officers.

48 **"Insured Claim"** means all or that portion of any Claim for which SFC is insured and all or that portion of any D&O Claim for which the applicable Director or Officer is insured, in each case pursuant to any of the

the proceeds of Insurance Policies paid or payable on behalf of SFC or its Directors and Officers in the manner set forth in section 2.4 [of the Plan];

(k) insurers from their obligations under insurance policies; and

(l) any Released Party[49] for fraud or criminal conduct.

7.3 ***Injunction***. All Persons[50] are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, [51] from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

7.4 ***Timing of Releases and Injunctions***. All releases and injunctions set forth in [Article 7 of the Plan] shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 [of the Plan].

Insurance Policies. "**Insurance Policies**" means, collectively, the following insurance policies, as well as any other insurance policy pursuant to which SFC or any Director or Officer is insured: ACE INA Insurance Policy Number DO024464; Chubb Insurance Company of Canada Policy Number 8209-4449; Lloyds of London, England Policy Number XTFF0420; Lloyds of London, England Policy Number XTFF0373; and Travelers Guarantee Company of Canada Policy Number 10181108, and "**Insurance Policy**" means any one of the Insurance Policies.

49 **"Released Parties"** means, collectively, those Persons released pursuant to Article 7 of the Plan, but only to the extent so released, and each such Person is referred to individually as a "**Released Party**."

50 **"Person"** – as used in the Plan and Plan Sanction Order -- means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

51 **"Released Claims"** means all of the rights, claims and liabilities of any kind released pursuant to Article 7 of the Plan.

7.5 ***Equity Class Action Claims Against the Third Party Defendants***. Subject only to Article 11 [of the Plan], and notwithstanding anything else to the contrary in [the] Plan, any Class Action Claim against the Third Party Defendants that relates to the purchase, sale or ownership of Existing Shares or Equity Interests: (a) is unaffected by this Plan; (b) is not discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Third Party Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for any such Class Action Claim that relates to any liability of the Third Party Defendants for any alleged liability of SFC); and (e) does not constitute an Equity Claim or an Affected Claim under this Plan.

Article 11 of the Plan[52]
SETTLEMENT OF CLAIMS AGAINST THIRD PARTY DEFENDANTS

11.1 ***Ernst & Young***

(a) Notwithstanding anything to the contrary [in the Plan], subject to: (i) the granting of the [Plan] Sanction Order; (ii) the issuance of the Settlement Trust Order[53] (as may be modified in a manner satisfactory to the parties to the Ernst & Young Settlement and SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders,[54] as applicable, to the extent, if any, that such modifications affect SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably); (iii) the granting of an Order under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the [Plan] Sanction Order and the Settlement Trust Order in the United States; (iv) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (iii) and (iv) being collectively the "**Ernst & Young Orders**"); (v) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs[55] of all of

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52 As effectuated by Paragraphs 40 and 41 of the Plan Sanction Order.

53 **"Settlement Trust Order"** means a court order that establishes the Settlement Trust and approves the Ernst & Young Settlement and the Ernst & Young Release, in form and in substance satisfactory to Ernst & Young and counsel to the Ontario Class Action Plaintiffs, provided that such order shall also be acceptable to SFC (if occurring on ·or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such order affects SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably.

"**Ernst & Young Settlement**" means the settlement as reflected in the Minutes of Settlement executed on November 29, 2012 between Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof and the plaintiffs in Ontario Superior Court Action No. CV-11-4351153-00CP and in Quebec Superior Court No. 200-06-001132-111, and such other documents contemplated thereby.

"Ernst & Young Release" means the release described in 11.1(b) of the Plan.

54 **"Initial Consenting Noteholders"** means, subject to section 12.7 of the Plan, the Noteholders that executed the RSA on March 30, 2012.

55 **"Ontario Class Action Plaintiffs"** means the plaintiffs in the Ontario class action case styled as *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV -11-431153-00CP).

their obligations thereunder; and (vi) the [Plan] Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge, Ernst & Young shall pay the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order (the "**Settlement Trust**"). Upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall deliver to Ernst & Young a certificate (the "**Monitor's Ernst & Young Settlement Certificate**") stating that (i) Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement; (ii) the trustee of the Settlement Trust has confirmed that such settlement amount has been received by the Settlement Trust; and (iii) the Ernst & Young Release is in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.

(b) Notwithstanding anything to the contrary [in the Plan], upon receipt by the Settlement Trust of the settlement amount in accordance with the Ernst & Young Settlement: (i) all Ernst & Young Claims[56] shall be fully, finally, irrevocably and

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[56] **"Ernst & Young Claim"** means any and all demands, claims, actions, Causes of Action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person, including any Person who may claim contribution or indemnification against or from them and also including for greater certainty the SFC Companies, the Directors (in their capacity as such), the Officers (in their capacity as such), the Third Party Defendants, Newco, Newco II, the directors and officers of Newco and Newco II, the Noteholders or any Noteholder, any past, present or future holder of a direct or indirect equity interest in the SFC Companies, any past, present or future direct or indirect investor or security holder of the SFC Companies, any direct or indirect security holder of Newco or Newco II, the Trustees, the Transfer Agent, the Monitor, and each and every member (including members of any committee or governance council), present and former affiliate, partner, associate, employee, servant, agent, contractor, director, officer, insurer and each and every successor, administrator, heir and assign of each of any of the foregoing may or could (at any time past present or future) be entitled to assert against Ernst & Young, including any and all claims in respect of statutory liabilities of Directors (in their capacity as such), Officers (in their capacity as such) and any alleged fiduciary (in any capacity) whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent or not contingent, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on, prior to or after the Ernst & Young Settlement Date relating to, arising out of or in connection with the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such) and/or professional services performed by Ernst & Young or any other acts or omissions of Ernst & Young in relation to the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such), including for greater certainty but not limited to any claim arising out of:

(a) all audit, tax, advisory and other professional services provided to the SFC Companies or related to the SFC Business up to the Ernst & Young Settlement Date, including for greater certainty all audit work performed, all auditors' opinions and all consents in respect of all offering of SFC securities and all regulatory compliance delivered in respect of all fiscal periods and all work related thereto up to and including the Ernst & Young Settlement Date;

(b) all claims advanced or which could have been advanced in any or all of the Class Actions;

forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young; (ii) section 7.3 [of the Plan] shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis* on the Ernst & Young Settlement Date; [57] and (iii) none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other Third Party Defendants that portion of any damages that corresponds to the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement.

(c) In the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release and the injunctions described in section 11.1 (b) shall not become effective.

11.2 ***Named Third Party Defendants***

(a) Notwithstanding anything to the contrary in section 12.5(a) or 12.5(b) [of the Plan], at any time prior to 10:00 a.m. (Toronto time) on December 6, 2012 or such later date as agreed in writing by the Monitor, SFC (if on or prior to the Plan Implementation Date) and the Initial Consenting Noteholders, Schedule "A" to this Plan may be amended, restated, modified or supplemented at any time and from time to time to add any Eligible Third Party Defendant [58] as a "**Named Third Party Defendant**", [59] subject in each case to the prior written consent of such Third Party Defendant, the Initial Consenting Noteholders, counsel to the Ontario Class Action Plaintiffs, the Monitor and, if occurring on or prior to the Plan Implementation Date, SFC. Any such amendment, restatement, modification and/or supplement of Schedule "A" shall be deemed to be effective automatically upon all such required consents being received. The Monitor shall: (A) provide notice to the service list of any such amendment, restatement, modification and/or supplement of Schedule "A"; (B) file a copy thereof with the Court; and (C) post

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(c) all claims advanced or which could have been advanced in any or all actions commenced in all jurisdictions prior the Ernst & Young Settlement Date; or

(d) all Noteholder Claims, Litigation Trust Claims or any claim of the SFC Companies, provided that "Ernst & Young Claim" does not include any proceedings or remedies that may be taken against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission, and the jurisdiction of the Ontario Securities Commission and staff of the Ontario Securities Commission in relation to Ernst & Young under the Securities Act, R.S.O. 1990, c. S-5 is expressly preserved.

57 **"Ernst & Young Settlement Date"** means the date that the Monitor's Ernst & Young Settlement Certificate is delivered to Ernst & Young.

58 **"Eligible Third Party Defendant"** means any of the Underwriters, BDO Limited and Ernst & Young (in the event that the Ernst & Young Settlement is not completed), together with any of their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns (but excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such), and any Director or Officer together with their respective successors, administrators, heirs and assigns.

59 **"Named Third Party Defendants"** means the Third Party Defendants listed on Schedule "A" to the Plan in accordance with section 11.2(a) of the Plan, provided that only Eligible Third Party Defendants may become Named Third Party Defendants.

an electronic copy thereof on the Website.[60] All Affected Creditors shall be deemed to consent thereto any and no Court Approval thereof will be required.

(b) Notwithstanding anything to the contrary [in the Plan], subject to: (i) the granting of the [Plan] Sanction Order; (ii) the granting of the applicable Named Third Party Defendant Settlement Order; [61] and (iii) the satisfaction or waiver of all conditions precedent contained in the applicable Named Third Party Defendant Settlement, [62] the applicable Named Third Party Defendant Settlement shall be given effect in accordance with its terms. Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Named Third Party Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received, the Monitor shall deliver to the applicable Named Third Party Defendant a certificate (the "**Monitor's Named Third Party Settlement Certificate**") stating that (i) each of the parties to such Named Third Party Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (ii) any settlement funds have been paid and received; and (iii) immediately upon the delivery of the Monitor's Named Third Party Settlement Certificate, the applicable Named Third Party Defendant Release[63] will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Named Third Party Settlement Certificate with the Court.

(c) Notwithstanding anything to the contrary [in the Plan], upon delivery of the Monitor's Named Third Party Settlement Certificate, any claims and Causes of Action shall be dealt with in accordance with the terms of the applicable Named

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60 **"Website"** means the website maintained by the Monitor in respect of the CCAA Proceeding pursuant to the Initial Order at the following web address: http://cfcanada.fticonstilting.com/sfc.

61 **"Named Third Party Defendant Settlement Order"** means a court order approving a Named Third Party Defendant Settlement in form and in substance satisfactory to the applicable Named Third Party Defendant, SFC (if occurring on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date), the Litigation Trustee (if after the Plan Implementation Date) and counsel to the Ontario Class Action Plaintiffs (if the plaintiffs in any of the Class Actions are affected by the applicable Named Third Party Defendant Settlement).

62 **"Named Third Party Defendant Settlement"** means a binding settlement between any applicable Named Third Party Defendant and one or more of: (i) the plaintiffs in any of the Class Actions; and (ii) the Litigation Trustee (on behalf of the Litigation Trust) (if after the Plan Implementation Date), provided that, in each case, such settlement must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such settlement shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

63 **"Named Third Party Defendant Release"** means a release of any applicable Named Third Party Defendant agreed to pursuant to a Named Third Party Defendant Settlement and approved pursuant to a Named Third Party Defendant Settlement Order, provided that such release must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such release shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

> Third Party Defendant Settlement, the Named Third Party Defendant Settlement Order and the Named Third Party Defendant Release. To the extent provided for by the terms of the applicable Named Third Party Defendant Release: (i) the applicable Causes of Action against the applicable Named Third Party Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Named Third Party Defendant; and (ii) section 7.3 [of the Plan] shall apply to the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant mutatis mutandis on the effective date of the Named Third Party Defendant Settlement.

Plan Sanction Order

> ***Paragraph 31***. [B]etween (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the [Ontario] Court on a motion to the [Ontario] Court on reasonable notice to Ernst & Young, any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings against Ernst & Young (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012, provided that no steps or proceedings against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission under the Securities Act (Ontario) shall be stayed by [the Plan Sanction Order].

For the avoidance of doubt, the enforcement of Article 11 of the Plan as set forth above does not presently grant a release for Ernst & Young or any other Named Third Party Defendants, and nothing in this Order shall constitute recognition or enforcement in the United States of the Ernst & Young Settlement.

6. Notice of entry of this order shall be served on creditors and parties in interest of SFC with respect to the Canadian Proceeding. Such service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

7. The Chapter 15 Petition and copies of the Canadian Orders shall be made available upon request at the offices of Milbank, Tweed, Hadley & McCloy, LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Jeremy C. Hollembeak, Esq., (212) 530-5189, jhollembeak@milbank.com.

8. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

9. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: April 15, 2013
New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

EXHIBIT S

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 15
Metcalfe & Mansfield Alternative Investments et al.,	Case No. 09-16709 (MG)
Debtors in Foreign Proceedings.	Jointly Administered

ORDER GRANTING RECOGNITION, ENFORCEMENT OF CANADIAN ORDERS AND RELATED RELIEF

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of Metcalfe & Mansfield Alternative Investments II Corp., ("**Metcalfe II**"), Metcalfe & Mansfield Alternative Investments III Corp. ("**Metcalfe III**"), Metcalfe & Mansfield Alternative Investments V Corp. ("**Metcalfe V**"), Metcalfe & Mansfield Alternative Investments XI Corp. ("**Metcalfe XI**"), Metcalfe & Mansfield Alternative Investments XII Corp. ("**Metcalfe XII**"), 6932819 Canada Inc. ("**6932819**") and 4446372 Canada Inc., ("**4446372**" and together with Metcalfe II, Metcalfe III, Metcalfe V, Metcalfe XI, Metcalfe XII, and 6932819, the "**Issuer Trustees**"), which are the trustees of the third-party (non-bank sponsored) conduit trusts, and the debtors in proceedings (the "**Canadian Proceedings**") under Canada's *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pending before the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**").

This Court has reviewed the Verified Petitions For Recognition of Foreign Proceedings which were filed on November 10, 2009 for each Issuer Trustee (collectively, the "**Chapter 15 Petitions**") commencing the above-captioned chapter 15 cases (collectively, the

"**Chapter 15 Cases**") pursuant to sections 1504, 1515 and 1517 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), and seeking enforcement pursuant to sections 1507, 1521(a) and 105(a) of the Bankruptcy Code of the Amended Sanction Order and the Plan Implementation Order of the Ontario Court (together, the "**Canadian Orders**") and attached as Exhibits 1 and 2, respectively to the Amended Proposed Order (Document Number 25) in the Lead Case.

Due and timely notice of the filing of the Chapter 15 Petitions was given in accordance with this Court's order dated November 23, 2009, approving the form of notice and manner of service thereof, which notice is deemed adequate for all purposes such that no other or further notice thereof need be given. No objections to the Chapter 15 Petitions or any of the relief sought thereby have been filed with the Court.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

(C) Venue is proper in this District pursuant to 28 U.S.C. §§ 1410(3).

(D) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each Issuer Trustee within the meaning of section 101(24) of the Bankruptcy Code.

(E) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.

(F) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.

(G) The Canadian Proceedings are foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code.

(H) The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

(I) The Canadian Proceedings are pending in Canada, which is the location of each Issuer Trustee's center of main interests, and as such, constitute foreign main proceedings pursuant to section 1502(4) of the Bankruptcy Code and are entitled to recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code.

(J) The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

(K) The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(L) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code.

2. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, the stay under section 362 of the Bankruptcy Code throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.

3. The Canadian Orders are hereby given full force and effect in the United States and are binding on all persons subject to this court's jurisdiction pursuant to sections 1521(a)(7), 1507 and 105(a) of the Bankruptcy Code.

4. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief

from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

5. Notice of entry of this order shall be served in accordance with this Court's prior order directing the manner of service and notice. Such service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

6. The Chapter 15 Petitions and copies of the Canadian Orders shall be made available upon request at the offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 to the attention of Amélie Baudot, (212) 610-6300, amelie.baudot@allenovery.com.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: New York, New York
January 5, 2009

/s/Martin Glenn_____
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT T

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 15
CANWEST GLOBAL COMMUNICATIONS CORP., et al.	:	Case No. 09 - 15994
Debtors in a Foreign Proceeding.	:	Jointly Administered

ORDER GRANTING RECOGNITION
AND RELIEF IN AID OF FOREIGN MAIN PROCEEDINGS

Hearings having been held before this Court on October 6, 2009, October 15, 2009 and November 3, 2009 (the "Hearings") to consider (1) the Official Form B-1 Petitions (the "Chapter 15 Petitions") and the Verified Petition Pursuant To 11 U.S.C. §§ 105(a), 1504, 1507, 1515, 1517, 1519, 1520 And 1521, Commencing Chapter 15 Cases And Seeking Entry Of An Order Recognizing Foreign Main Proceedings And Granting Further Relief And Additional Assistance (together with all exhibits appended thereto, the "Verified Petition") of Canwest Global Communications Corp. ("Canwest Global"), Canwest Media Inc. ("CMI"), 4501063 Canada Inc. ("4501063"), Canwest Television GP Inc. ("Canwest Television"), and Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc. ("Canwest Broadcasting," and collectively with Canwest Global, CMI, 4501063, and Canwest Television, the "Debtors"), presented by FTI Consulting Canada Inc. as court-appointed monitor and authorized representative ("Monitor") of the Debtors, for recognition of foreign main proceedings (the "Canadian Proceedings") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the "Canadian Court"), and seeking enforcement pursuant to sections 105(a), 1504, 1507, 1515, 1517, 1519, 1520, and 1521 of title 11 of the United States Code (the "Bankruptcy

Code") of the Initial Order of the Canadian Court dated October 6, 2009 (as it may be amended or extended from time to time by the Canadian Court, the "Initial CCAA Order") in the United States and (2) the Monitor's *Ex Parte* Motion for Order to Show Cause with Temporary Restraining Order and, After Notice and a Hearing, a Preliminary Injunction (the "TRO Motion"); and upon this Court's review and consideration of the Chapter 15 Petitions, the Verified Petition, the TRO Motion, the Affidavit of John E. Maguire annexed to the Verified Petition, the Memorandum of Law in Support of the Verified Petition, the Amended Supplemental Memorandum of Law in Support of Monitor's *Ex Parte* Motion for Order to Show Cause with Temporary Restraining Order and, After Notice and a Hearing, Preliminary Injunction, the Supplemental Declaration of John E. Maguire in support of the TRO Motion, the Declaration of Ashley John Taylor, Esq. in support of the TRO Motion and all other documents filed in support of the Verified Petition and the TRO Motion on behalf of the Debtors; and this Court having concluded that appropriate and timely notice of the filing of the Chapter 15 Petitions, the Verified Petition, and the TRO Motion have been given; and the Hearings having been held; and upon the record of the statements made at the Hearings; and after due deliberation and sufficient cause appearing therefor, this Court finds and concludes as follows:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

C. Venue is properly located in this District pursuant to 28 U.S.C. § 1410.

D. These chapter 15 cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.

E. The Monitor is a "foreign representative" and a person within the meaning of sections 101(24) and 1517(a)(2) of the Bankruptcy Code; and the Monitor is the duly appointed foreign representative of the Debtors, as required by section 101(24) of the Bankruptcy Code.

F. The Canadian Proceedings currently pending before the Canadian Court for the Debtors constitute "foreign proceedings" within the meaning of section 101(23) of the Bankruptcy Code.

G. The Canadian Proceedings are pending in Canada, which is where the center of main interests of each of the Debtors is located, and each is a "foreign main proceeding" within the meaning of section 1502(4) of the Bankruptcy Code and under section 1517(b)(1) of the Bankruptcy Code.

H. The Chapter 15 Petitions and the Verified Petition meet the requirements of section 1515 of the Bankruptcy Code.

I. The Canadian Proceedings are entitled to recognition as foreign main proceedings under section 1517 of the Bankruptcy Code.

J. **SMB 11/3/09** The Monitor is entitled to all of the relief provided under section~~s~~ 1520 ~~and 1521~~ of the Bankruptcy Code, without limitation.

K. **SMB 11/3/09** ~~It appears to~~ The Court **concludes** that the Debtors will suffer irreparable harm unless creditors and contractual counterparties are enjoined to the extent provided in this Order.

L. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520 and 1521 of the Bankruptcy Code.

M. **SMB 11/3/09** To the extent not already provided by virtue of sections 105(a), 1517, 1519, **and** 1520 ~~and 1521~~ of the Bankruptcy Code, and as may be necessary to effectuate the Initial CCAA Order in the United States, additional assistance pursuant to section 1507 of the Bankruptcy Code is consistent with the principles of comity as the Canadian Proceedings reasonably assure (1) just treatment of all holders of claims against or interests in the Debtors' property; (2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Canadian Proceedings; (3) prevention of preferential or fraudulent dispositions of property of the Debtors; and (4) distribution of proceeds of the Debtors' property substantially in accordance with the order prescribed by title 11 of the United States Code.

THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are recognized as foreign main proceedings under section 1517(b)(1) of the Bankruptcy Code.

2. **SMB 11/3/09** All provisions of section 1520 ~~and 1521(a)~~ of the Bankruptcy Code apply in these chapter 15 cases, including, without limitations, the stay under section 362 of the Bankruptcy Code and the provisions of section 363 of the Bankruptcy Code throughout the duration of these chapter 15 cases or until otherwise ordered by this Court.

3. **SMB 11/3/09** ~~Pursuant to sections 1520 and 1521 of the Bankruptcy Code and, as necessary, sections 105(a) and 1507 of the Bankruptcy Code, the Initial CCAA Order is hereby given full force and effect in the United States as to the Debtors so long as such Initial CCAA Order is in effect in the Canadian Proceedings.~~

4. For so long as the Initial CCAA Order is in effect in the Canadian Proceedings or otherwise ordered by this Court, the individuals, firms, corporations and other

entities listed on annexed Exhibit A hereto (all of the foregoing, collectively being "Person" and each being a "Person"), and all those acting for or on their behalf, are hereby enjoined **SMB 11/3/09** ~~and prohibited on a preliminary basis for an indefinite period~~, in the United States and its territories from, discontinuing, altering, failing to honor, interfering with, repudiating, ceasing to perform, or terminating any right, renewal right, contract agreement, license or permit with Canwest Television Limited Partnership ("Television Partnership") for the supply of goods and/or services, including without limitation all programming supply, computer software, communication and other data services to Television Partnership, on the basis of, or as a result of, the filing of the Chapter 15 cases, the Canadian Proceedings or any amounts outstanding as of the filing of the Chapter 15 cases to the same extent as set forth in the Initial CCAA Order as it exists as of this date; provided, in each case, that the contractual prices or charges for all such goods or services received after the date of the Initial CCAA Order are paid by the Debtors or Television Partnership in accordance with normal payment practices of the Debtors or Television Partnership or such other practices as may be agreed upon by the supplier or service provider, the Debtors, Television Partnership and the Monitor, or as may be ordered by the Court. Notwithstanding the foregoing, nothing contained in this Paragraph 4 is intended to nor shall it be construed as preempting, abrogating or otherwise limiting any rights of a Person under the Initial CCAA Order and the CCAA.

5. Nothing in this Order shall be construed to limit in any way any additional relief granted by this Court or any other additional injunctive relief the Court may grant from time to time.

6. **SMB 11/3/09** ~~Notwithstanding anything to the contrary in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Federal Rules of Civil Procedure, all~~

~~persons and entities (other than the Monitor and its expressly authorized representatives and agents) are hereby enjoined from invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state or local law or regulation requiring the Monitor or the Debtors to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any proceeding, and such statute, rules or requirement will be rendered null and void for the purposes of such proceedings~~.

7. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order, any request for additional relief and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

8. The Monitor shall provide service and notice of this Order by first class mail, postage prepaid, upon (a) all known parties against whom provisional relief is being granted in these chapter 15 cases, **SMB 11/3/09 including all parties listed on Exhibit A** (b) all parties to litigation pending in the United States in which a Debtor is a party at the time of filing of the Chapter 15 Petitions and (c) the United States Trustee, which service and notice shall constitute sufficient service and notice of this Order.

Dated: November 3, 2009
New York, New York

/s/ STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

Issued: 2:22 p.m.

EXHIBIT U

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 15
Quebecor World Inc.,	Case No. 08-13814 (JMP)
Debtor in Foreign Proceedings.	Honorable James M. Peck

ORDER GRANTING RECOGNITION AND ENFORCEMENT OF CANADIAN SANCTION ORDER AND RELATED RELIEF

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of Quebecor World Inc. ("**QWI**") in proceedings (the "**Canadian Proceedings**") pending before the Quebec Superior Court (Commercial Division) (the "**Quebec Court**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**Motion**") seeking entry of an order pursuant to sections 1507, 1521 and 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), recognizing and giving effect in the United States to the Quebec Court's order sanctioning the Plan of Reorganization and Compromise of Quebecor World Inc. (the "**Canadian Sanction Order**"), a copy of which is annexed hereto as Exhibit 1.

Due and timely notice of the filing of the Motion was given to those creditors of QWI required to be served under the Bankruptcy Code, other parties in interest, and the Office of the United States Trustee, which notice is adequate for purposes of the Motion and no other or further notice thereof need be given. Any objections to the Motion that have not been withdrawn or resolved have been overruled.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

(C) Venue is proper in this District pursuant to 28 U.S.C. § 1410(3).

(D) The relief granted is necessary and appropriate, in the interests of the public and international comity, consistent with United States public policy, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(E) Pursuant to section 1507(b), the relief granted will reasonably assure:

(1) just treatment of all holders of claims against or interests in QWI's property;

(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Canadian Proceedings;

(3) prevention of preferential or fraudulent dispositions of property of QWI; and

(4) distribution of proceeds of QWI's property substantially in accordance with the order prescribed by the Bankruptcy Code.

(F) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Sanction Order is hereby given full force and effect in the United States and is binding on all persons subject to this Court's jurisdiction pursuant to sections 1507, 1521(a)(7), and 105(a) of the Bankruptcy Code.

2. The Motion and this Order shall be made available on the Monitor's website at www.ey.com/ca/quebecorworld or upon request at the offices of Allen & Overy LLP,

1221 Avenue of the Americas, New York, New York 10020, Attention: Bethany Kriss, (212) 610-6300, Bethany.Kriss@allenovery.com.

3. Notwithstanding Rule 7062 of the Federal Rules of Bankruptcy Procedure, made applicable to this case by Rule 1018 of the Federal Rules of Bankruptcy Procedure, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: New York, New York
July 1, 2009

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT V

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 15
Nortel Networks Corporation, *et al.*,	Case No. 09-10164 (KG)
Foreign Applicants in Foreign Proceedings.	Jointly Administered

ORDER GRANTING RECOGNITION AND RELATED RELIEF

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of Nortel Networks Corporation and certain of its direct and indirect subsidiaries, Nortel Networks Limited, Nortel Networks Technology Corporation, Nortel Networks Global Corporation, and Nortel Networks International Corporation (collectively, the "**Canadian Nortel Group**") in proceedings (the "**Canadian Proceedings**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**"), to consider the Verified Petitions for Recognition of Foreign Proceedings which were filed on January 14, 2009 for each member of the Canadian Nortel Group (collectively, the "**Chapter 15 Petitions**") commencing the above-captioned chapter 15 cases (collectively, the "**Chapter 15 Cases**") pursuant to sections 1504, 1515 and 1517 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), and seeking enforcement pursuant to sections 1507, 1520, 1521 and 105(a) of the Bankruptcy Code of the Initial Order of the Ontario Court dated January 14, 2009 (the "**Initial Order**"), an amended and restated form of which was approved by the Ontario Court on February 10, 2009 (the "**Amended Initial Order**"). Based upon the Affidavit of Service of Patricia Birley sworn to on February 9, 2009, the

Affidavit of Publication in the Wall Street Journal (national edition) of Erin Ostenson sworn to on January 28, 2009 and the Affidavit of Publication in The Globe and Mail sworn to on January 28, 2009, sufficient notice of the Chapter 15 Petitions has been given. The Monitor also filed notice of the Amended Initial Order on February 10, 2009 (docket no. 29) and served a copy of the notice on parties in interest as reflected in the Affidavit of Melissa N. Flores sworn to on February 11, 2009 (docket no. 30). The Court has considered and reviewed the pleadings and exhibits submitted by the Monitor in support of the Chapter 15 Petitions including the Amended Initial Order annexed hereto as Exhibit 1. No objections to the Chapter 15 Petitions were filed with the Court.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

(C) Venue is proper in this District pursuant to 28 U.S.C. §§ 1410 (1) and (3).

(D) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each member of the Canadian Nortel Group within the meaning of section 101(24) of the Bankruptcy Code.

(E) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.

(F) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.

(G) The Canadian Proceedings are foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code.

(H) The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

(I) The Canadian Proceedings are pending in Canada, which is the location of each member of the Canadian Nortel Group's center of main interests, and as such, constitute foreign main proceedings pursuant to section 1502(4) of the Bankruptcy Code

and are entitled to recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code.

(J) The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

(K) The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(L) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code.

2. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, the stay under section 362 and the provisions of section 363 of the Bankruptcy Code throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.

3. The Amended Initial Order (and any further amendments or extensions thereof as may be granted from time to time by the Ontario Court) is hereby given full force and effect in the United States.

4. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

5. Service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

6. The Chapter 15 Petitions and the Supporting Papers shall be made available by the Monitor through its website at www.ey.com/ca/nortel, or upon request at the offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 to the attention of Bethany Kriss, (212) 756-1199, Bethany.Kriss@allenovery.com.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: Wilmington, Delaware
February 27, 2009

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT W

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re EPHEDRA PRODUCTS LIABILITY LITIGATION	04 MD 1598 (JSR)
In re MUSCLETECH RESEARCH AND DEVELOPMENT INC., et al.;	
Foreign Applicants in Foreign Proceedings.	06 Civ. 538 (JSR)
In re RSM RICHTER INC., AS FOREIGN REPRESENTATIVE OF MUSCLETECH RESEARCH AND DEVELOPMENT INC. AND ITS SUBSIDIARIES,	06 Civ. 539 (JSR)
Plaintiff,	
-v-	
SHARON AGUILAR, an individual; et al.,	ORDER
Defendants.	

JED S. RAKOFF, U.S.D.J.

This Order will serve to clarify and reduce to plain English the Order dated February 9, 2006, which this Order supersedes. Specifically, for the reasons previously stated, the Court grants the injunctive relief requested by RSM Richter Inc. (the "Monitor") on the following terms:

(1) Prosecution in any respect of any "Product Liability Action" (as defined in the Monitor's petitions commencing these actions) is stayed to the extent such action is against:

(a) MuscleTech Research and Development Inc. ("MuscleTech") and/or its subsidiaries;

(b) any of the affiliates of MuscleTech, namely, Iovate Health Sciences Group Inc., Iovate Health Sciences Inc., Iovate Health Sciences Research Inc., Iovate Health Sciences International Inc., Iovate Health Sciences U.S.A. Inc., Iovate Health Sciences Capital Inc., and Iovate Copyright Ltd.;

(c) Paul Gardiner, Terence Begley, Carlan Colker, Douglas Kalman, and/or Stuart Lowther;

(d) the Paul Gardiner Family Trust;

(e) HVL, Inc., Douglas Laboratories Inc., Peak Wellness, Inc., and/or Miami Research Associates Inc.;

(f) Walgreen Co., Wal-Mart Stores, Inc., General Nutrition Corporation, GN Oldco Corporation, General Nutrition Companies Inc., GNCI Oldco, Inc., General Nutrition, Inc. GNI Oldco, Inc., GNC Franchising, LLC, General Nutrition Distribution, L.P., General Nutrition Distribution Corporation, General Nutrition Sales Corporation, General Nutrition Centers, Inc., Oldco Corporation, General Nutrition Companies, Inc., General Nutrition Center, Store 100122, General Nutrition Center, Store 101603, GNC Corporation, General Nutrition Center International, Inc., GNC Franchising, Inc., Mandeville GNC (a/k/a Mackie Shilstone's GNC), CVS Corporation, Rite Aid Corporation, Jackie Kneifel, Raaj Singh, and/or James R. Wilson; and

(g) any other defendant in a Product Liability Action who claims indemnification from MuscleTech and its subsidiaries.

(2) The stay shall continue until completion of the April 6, 2006 status conference in the related Ephedra MDL action, or such time thereafter as the Court then prescribes.

(3) The Monitor and any other interested party who may so desire shall report to the Court at the April 6 hearing regarding the status of the parties' efforts to arrive at a global settlement. The Monitor shall contemporaneously file electronically, with a hard copy to the undersigned's chambers, unredacted copies of any written reports or other papers filed with the Ontario Superior Court in connection with the related Canadian bankruptcy proceedings.

(4) Any interested party may seek relief from, or modification of, this stay by scheduling motion practice in the manner prescribed by the Individual Rules of this Court.

(5) Any interested party may appear at the April 6 hearing and be heard as to any extension of the stay.

(6) Counsel for MuscleTech shall immediately file a copy of this Order in each of the Product Liability Actions to which the Order applies.

SO ORDERED.

JED S. RAKOFF, U.S.D.J.

Dated: New York, New York
March 2, 2006

EXHIBIT X

Positive
As of: Oct 12, 2015

In re SPIEGEL INC., et al., Debtors.

Chapter 11 Cases, Case No. 03-11540 (BRL), Jointly Administered

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

2006 Bankr. LEXIS 2158*; *46 Bankr. Ct. Dec. 272

August 16, 2006, Decided

SUBSEQUENT HISTORY: Affirmed by *Stupakoff v. OTTO (In re Spiegel, Inc.), 2007 U.S. Dist. LEXIS 19633 (S.D.N.Y., Feb. 26, 2007)*

CASE SUMMARY:

PROCEDURAL POSTURE: Bankruptcy debtors' confirmed Chapter 11 plan included a release of third parties with regard to all claims related to the debtors, but a creditor asserted that its claims for copyright infringement against released parties which received copyrighted photographs from the debtors were not related to the debtors. The creditor moved for an order authorizing a state court action against the transferees.

OVERVIEW: The creditor contended that the creditor's copyright infringement claims had no practical or legal consequence to the debtors against which no claims were asserted. The creditor also argued that the claims were independent of the debtors' conduct, and that the released parties did not file pleadings in the debtors' bankruptcy to address the claims. The bankruptcy court held, however, that the creditor's claims were released by the debtors' confirmed and substantially consummated plan. In confirming the plan, the court found that the release and the released parties' substantial contribution of consideration were essential components of the plan, and jurisdiction to approve the release was proper based on the released parties' potential claims for contribution from the debtors for the alleged infringement. Further, the claims were related to the debtors within the meaning of the release since the debtors allegedly conspired to provide the photographs to the released parties, and it was irrelevant that the creditor did not seek direct imposition of liability against the debtors or that the released parties did not seek bankruptcy adjudication of the claims.

OUTCOME: The creditor's motion for an order authorizing a state action against the released parties was denied.

LexisNexis(R) Headnotes

Civil Procedure* > *Pleading & Practice* > *Pleadings* > *General Overview

[HN1] A court should not blindly accept findings of fact

and conclusions of law proffered by parties.

Bankruptcy Law > Practice & Proceedings > Jurisdiction > Core Proceedings
[HN2] Confirmation of a bankruptcy plan is a core proceeding under *28 U.S.C.S. § 157(b)(2)* and a bankruptcy court has exclusive jurisdiction to determine whether the plan complies with the applicable provisions of the Bankruptcy Code.

Bankruptcy Law > Practice & Proceedings > Jurisdiction > General Overview
[HN3] A bankruptcy court has inherent or ancillary jurisdiction to interpret and enforce its own orders, wholly independent of the statutory grant of jurisdiction under *28 U.S.C.S. § 1334*.

Bankruptcy Law > Practice & Proceedings > Jurisdiction > General Overview
[HN4] A bankruptcy court's jurisdiction continues post-confirmation to protect its confirmation decree, to prevent interference with the execution of a confirmed plan, and to otherwise aid in its operation.

Bankruptcy Law > Case Administration > Court Powers
Bankruptcy Law > Practice & Proceedings > Jurisdiction > Noncore Proceedings
[HN5] For purposes of determining bankruptcy jurisdiction under *28 U.S.C.S. § 1334(b)*, it is necessary only to determine whether a matter is at least related to the bankruptcy. The appropriate test for determining whether a claim is related to a debtor is whether the outcome of the proceeding might have any conceivable effect on the bankrupt estate or if the proceeding has any significant connection with the bankrupt estate. The conceivable-effect test is extremely broad and finds related-to jurisdiction in a wide variety of circumstances. A bankruptcy court has the power to enjoin suits against non-debtor third parties where the actions against such third parties have at least a conceivable effect upon the debtors or implicate the interpretation or enforcement of the court's orders.

Bankruptcy Law > Reorganizations > Plans > Contents > Discretionary Provisions
[HN6] In bankruptcy cases, a bankruptcy court may enjoin a creditor from suing a third party, provided the injunction plays an important part in a debtor's reorganization plan. Courts also approve nondebtor releases when: (1) the estate received substantial consideration; (2) the enjoined claims were channeled to a settlement fund rather than extinguished; (3) the enjoined claims would indirectly impact the debtor's reorganization by way of indemnity or contribution; or (4) the plan otherwise provided for the full payment of the enjoined claims. In addition, nondebtor releases also may be tolerated if the affected creditors consent.

Contracts Law > Contract Interpretation > Ambiguities & Contra Proferentem > General Overview
[HN7] The use of "arising out of" language in a contract is considered unambiguous and viewed as reasonably supporting only a broad reading. The phrase "related to" is even broader in scope than "arising out of," does not require a causal relation, is found to be synonymous with phrases such as "in connection with," "associated with," "with reference to," and "with respect to," and is not ambiguous in spite of its breadth.

Bankruptcy Law > Reorganizations > Plans > Postconfirmation > Effects of Confirmation
Civil Procedure > Judgments > Preclusion & Effect of Judgments > Res Judicata
[HN8] Once a Chapter 11 confirmation order becomes final and nonappealable, a collateral attack on the order is precluded by res judicata principles and, therefore, the confirmation order is no longer subject to challenge based on the standard applicable to the initial approval of a third party plan release. Res judicata applies whether or not a bankruptcy court initially had the power to grant the release. Every court in rendering a judgment tacitly, if not expressly, determines its jurisdiction over the parties and the subject matter. Thereafter, the court in which the plea of res judicata is made has not the power to inquire again into that jurisdictional fact.

Bankruptcy Law > Reorganizations > Plans > Postconfirmation > Effects of Confirmation
[HN9] When a Chapter 11 plan has been substantially consummated, the related confirmation order no longer is subject to review.

Bankruptcy Law > Reorganizations > Plans > Postconfirmation > Effects of Confirmation

[HN10] A Chapter 11 plan is substantially consummated when substantially all of the property proposed to be transferred pursuant to the plan has in fact been transferred, the reorganized debtor has assumed control of the business, and plan distribution has commenced.

COUNSEL: [*1] For Spiegel, Inc., Debtor: Andrew V. Tenzer, James L. Garrity, Jr., Shearman & Sterling, New York, NY; Timothy W. Walsh, DLA Piper Rudnick Gray Cary US LLP, New York, NY.

For United States Trustee, U.S. Trustee: Greg M. Zipes, Office of the United States Trustee, New York, NY.

For Official Committee of Unsecured Creditors, Creditor Committee: David M. LeMay, Douglas Deutsch, Howard Seife, Joseph H. Smolinsky, Chadbourne & Parke, LLP, New York, NY.

For Chadbourne & Parke LLP, Creditor Committee: Howard Seife, Chadbourne & Parke, LLP, New York, NY.

For Clear Creek ISD, Creditor Committee: Laura J. Monroe, Perdue, Brandon, Fielder Collins & Mott, Lubbock, TX.

JUDGES: Honorable Burton R. Lifland, UNITED STATES BANKRUPTCY JUDGE.

OPINION BY: Honorable Burton R. Lifland

OPINION

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER DENYING MOTION OF PETER ROSENBAUM PHOTOGRAPHY CORPORATION FOR A DECLARATORY RULING PURSUANT TO *SECTIONS 105(a)* AND *1109(b) OF THE BANKRUPTCY CODE*, ETC. AND DENYING RELATED RELIEF

Peter Rosenbaum Photography Corporation ("Rosenbaum") brought this motion dated May 4, 2006 (the "Motion"), for an order pursuant to *sections 105(a)* [*2] and *1109(b) of the Bankruptcy Code*: (1) declaring that Rosenbaum's claims against Otto (GmbH & Co KG) ("Otto KG"), Otto Doosan Ltd. (f/k/a Otto Doosan Mail Order Ltd.) ("Doosan"), and Otto Sumisho Inc. ("Sumisho," and together with Otto KG and Doosan, the "Named Defendants") in an action (the "Illinois Action") filed in the United States District Court for the District of Illinois (the "Illinois Court") are unrelated to the chapter 11 cases of Spiegel Inc. ("Spiegel") and certain of its direct and indirect subsidiaries (collectively with Spiegel, the "Debtors") and, therefore, are not barred by the release and injunction provisions of the Debtors' plan of reorganization and related confirmation order; and (2) authorizing such claims to proceed. The Named Defendants' filed an objection to the Motion, dated June 5, 2006 (the "Objection") and Rosenbaum filed a Reply in support of the Motion, dated June 15, 2006 (the "Reply").

On June 21, 2006, Bico Stupakoff and Russell James (collectively, "Stupakoff and James") moved for a continuance of the hearing (the "Hearing") on the Motion (the "Adjournment Motion") or a declaration [*3] of the Court that any ruling on the Motion shall have no preclusive effect on any motion or pleading filed by Stupakoff and James. The Named Defendants objected to the Adjournment Motion, dated June 21, 2006.

The Hearing was held before this Court on June 22, 2006. Having considered all of the evidence, testimonial and documentary, as well as the arguments of the parties, and their Proposed Findings of Fact and Conclusions of Law, and keeping in mind that [HN1] a court should not blindly accept findings of fact and conclusions of law proffered by the parties, *St. Clare's Hospital and Health Center v. Insurance Company of North America (In re St. Clare's Hospital and Health Center), 934 F.2d 15 (2d Cir.1991)*(citing *U.S. v. El Paso Natural Gas Co., 376 U.S. 651, 656, 84 S. Ct. 1044, 12 L.Ed.2d 12 (1964))*, and having conducted an independent analysis of the law and the facts, consistent with the record of the hearing on June 22, 2006 at which this Court made its preliminary findings and conclusions, this Court makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

IT IS HEREBY FOUND that:

The Spiegel Chapter 11 Cases

[*4] A. On March 17, 2003, each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code.

B. Subsequently, Rosenbaum filed a proof of claim for $ 210,186.75 relating to services performed for the

Debtors in the Debtors' cases. This proof of claim was assigned to a third party.

C. This Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court or its duly appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at, the hearings held before this Court during the pendency of these chapter 11 cases.

The Spiegel Plan

D. By order, dated May 25, 2005 (the "Confirmation Order"), this Court confirmed the Debtors' Modified First Amended Joint Plan of Reorganization of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan"). [1] *In re Spiegel, Inc., 2005 Bankr. LEXIS 1113 (Bankr. S.D.N.Y. May 25, 2005)*. Regarding the events leading up to the hearing on confirmation of the Plan (the "Confirmation Hearing"), the Confirmation Order included, [*5] inter alia, the following findings:

> E. On March 28, 2005, the Debtors filed their First Amended Joint Plan of Reorganization of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code (Docket No. 3082) and accompanying First Amended Disclosure Statement Pursuant to *Section 1125 of the Bankruptcy Code* for the First Amended Joint Plan of Reorganization of Affiliated Debtors (Docket No. 3084) (as modified, amended or supplemented from time to time and including all exhibits and schedules thereto, the "Disclosure Statement"). On May 23, 2005, the Debtors filed a Modified First Amended Joint Plan of Reorganization of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code (Docket No. 3556) (the "Plan") [1] that incorporated certain non-material technical amendments and modifications.
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> [1] Unless otherwise specified, capitalized terms and phrases used [in the Confirmation Order] have the meanings as defined in the Plan.
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> G. On March 29, 2005, after due notice and a hearing held on March 29, 2005, this Court entered an order (Docket No. 3116) (the "Disclosure Statement Order") that, among other things, (a) approved the Disclosure Statement as containing adequate information, . . . and (f) established notice and objection procedures in respect of confirmation of the [*6] Plan, including a form of confirmation hearing notice (the "Confirmation Hearing Notice").
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> I. Adequate and sufficient notice of the Confirmation Hearing and other requirements and deadlines, hearings and matters described in the Disclosure Statement Order was provided in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order. . . . [T]he Confirmation Hearing Notice was mailed on or about April 5, 2005 to Holders of Claims against and Equity Interests in the Debtors and other parties in interest. . . . [T]he Confirmation Hearing Notice was published, on April 14, 2005 in *USA Today* (National Edition), and on April 15, 2005 in *The New York Times* (National Edition), *The Wall Street Journal* (National Edition), and *The Globe and Mail* (National Edition). No other or further notice of the Confirmation Hearing was or is required.

*Confirmation Order, 2005 Bankr. LEXIS 1113, at * 3-6.*

> 1 Unless otherwise specified, capitalized terms and phrases used herein shall have the meanings provided in the Plan. The term "Affiliate" shall have the meaning ascribed to it in the Bankruptcy Code.

[*7] E. Under the Plan, holders of allowed general unsecured claims, which are classified in Class 4 (which voted to accept the Plan), received distributions of cash and stock in the reorganized Eddie Bauer anticipated to be worth approximately 91% of their allowed claims plus potential recoveries from a Creditor Trust. See First

Amended Disclosure Statement Pursuant to *Section 1125 of the Bankruptcy Code* for the First Amended Joint Plan of Reorganization of Affiliated Debtors (the "Disclosure Statement") p. 15.

F. The Plan, inter alia, incorporated a settlement (the "SHI Settlement") among various parties, including the Debtors, their official unsecured creditors' committee, and Spiegel Holdings, Inc. ("SHI"). SHI was Spiegel's majority shareholder and sole voting shareholder and is an Affiliate of the Named Defendants. Pursuant to the SHI Settlement: (i) SHI paid $ 104 million in cash to the Debtors; (ii) Otto [*8] KG and certain of its Affiliates retained approximately $ 26.9 million of general unsecured claims (the "Otto KG Goods Unsecured Claims") that were allowed as Class 4 Claims, but their recoveries on those claims were limited so they only would receive approximately 82.8% of their allowed claims (instead of the projected 91% for other Class 4 claims); and (iii) approximately $ 173.9 million in claims held by Otto-Spiegel Finance GmbH & Co. and SHI (the "SHI Unsecured Claims") were treated as claims solely against Spiegel on a non-substantively consolidated basis entitled to a distribution of 2.3% in cash (instead of the projected 91% for other Class 4 claims). Disclosure Statement pp. 9, 16. Thus, the total value of the concessions of Affiliates of the Named Defendants was not less than $ 260.4 million, representing the sum of: (a) $ 104 million in cash from SHI; (b) approximately $ 2.2 million in concessions on the Otto KG Goods Unsecured Claims; plus (c) approximately $ 154.2 in concessions on the SHI Unsecured Claims. In exchange for these and other concessions, the Plan provided for SHI, Otto KG, and their respective Affiliates -- including all of the Named Defendants -- [*9] (all of whom were among the "SHI Released Parties" under the Plan) to receive releases (the "Plan Release") from any and all claims arising on or before the Plan's "Effective Date" that: (i) the Debtors and their subsidiaries may hold against the SHI Released Parties; or (ii) the Debtors' creditors may hold against the SHI Released Parties related to the Debtors or their subsidiaries. Plan § 13.4.

G. In pertinent part, the Confirmation Order incorporated the Plan Release and enjoined the Debtors' creditors from asserting the released claims (collectively, the "Plan Release and Injunction") and also made related findings and conclusions:

> 28. *Rule 9019* SHI Settlement. Pursuant to *section 1123(b)(3) of the Bankruptcy Code* and Bankruptcy *Rule 9019*, the Plan incorporates the SHI Settlement. The SHI Settlement plays an important part in the Plan, and absent the releases and corresponding injunction that are critical components of the SHI Settlement, the Released Parties (including, but not limited to, the Holders of the Otto KG Goods Unsecured Claims and the SHI Unsecured Claims) would not be willing to enter into the SHI Settlement. The [*10] SHI Settlement is the compromise of disputed claims and a good faith settlement and release of those claims and associated alleged injuries. Such settlement, as reflected in the relative distributions and recoveries of Holders of Allowed Claims under the Plan, (i) will save the Debtors and their estates the costs and expenses of prosecuting various disputes, the outcome of which is likely to consume substantial resources of the Debtors' estates and require substantial time to adjudicate and (ii) have facilitated the creation and implementation of the Plan and benefits the Debtors' estates and creditors. Accordingly, such settlement is fair, equitable and reasonable.
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> 32. Releases, Exculpations and Injunctions. Pursuant to *section 1123(b)(3) of the Bankruptcy Code* and Bankruptcy *Rule 9019(a)*, the settlements, compromises, re-leases, discharges, exculpations, and injunctions set forth in the Plan and implemented by this Confirmation Order, including but not limited to the SHI Settlement, are fair, equitable, reasonable, in good faith and in the best interests of the Debtors and their estates, the Reorganized Debtors, the Creditor Trust Debtors, the [*11] Creditors' Committee, the Creditor Trust, Eddie Bauer Holdings, and Holders of Claims and Equity Interests. The releases of non-Debtors under the Plan and related injunctions are fair to Holders of Claims

and Equity Interests and are necessary to the proposed reorganization of the Debtors and the successful administration of their estates, thereby satisfying the requirements of *In re Drexel Burnham Lambert Group, Inc., 960 F.2d 285 (2d Cir. 1992)*, *In re Johns-Mansville, 837 F.2d 89 (2d Cir. 1988)*, and *In re Ionosphere Clubs, Inc., 184 B.R. 648, 655 (S.D.N.Y. 1995)*. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the releases, exculpations and injunctions provided for in Article XIII of the Plan.

* * *

37. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

* * *

41. Binding Effect. Pursuant to *section 1141 of the Bankruptcy Code*, except as otherwise expressly provided in the Plan, [*12] on and after the Effective Date, the Plan and all exhibits thereto . . . shall bind all Holders of Claims and Equity Interests.

* * *

52. SHI Settlement. The SHI Settlement is a good faith settlement and release of claims and associated alleged injuries, is fair and reasonable and is accordingly approved in all respects pursuant to Bankruptcy *Rule 9019(a)* and *section 1123(b)(3)(A) of the Bankruptcy Code*. This Court has found that (a) the SHI Settlement was reached as a result of arm's-length good faith negotiations among the parties, (b) the SHI Settlement plays a vital part in the Plan, and absent the releases and corresponding injunctions that are critical components of the SHI Settlement, the Released Parties (including, but not limited to, the Holders of the Otto KG Goods Unsecured Claims and the SHI Unsecured Claims) would not be willing to enter into the SHI Settlement, and (c) such settlement, as reflected in the relative distributions and recoveries of Holders of Allowed Claims under the Plan, (i) will save the Debtors and their estates the substantial costs and expenses of prosecuting various disputes, the outcome of which is likely to [*13] consume substantial re-sources of the Debtors' estates and require substantial time to adjudicate and (ii) has facilitated the creation and implementation of the Plan and provided substantial benefits to the Debtors' estates and creditors.

* * *

54. Section 13.4(b) Injunction On the Effective Date, each Holder of a Claim (but not shareholders or former shareholders of Spiegel, Inc. solely in their capacity as shareholders or former shareholders of Spiegel, Inc. or any Governmental Unit) are hereby permanently enjoined from asserting any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (including those arising under the Bankruptcy Code), whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence taking place during the period beginning at the beginning of time through and including the Effective Date and related to the Debtors or their direct or indirect subsidiaries, including, but not limited, to Contribution Claims, against any of the Released Parties (the "Section 13.4(b) [*14] Injunction"). This Section 13.4(b) Injunction shall apply to: (i) any Person or Entity that is or was the Holder of a Claim on or after the Petition Date. . . .

> 55. Other Injunctions. All Persons or Entities that release claims pursuant to Sections 13.2, 13.3, 13.4 and 13.6 of the Plan are hereby permanently enjoined from (a) commencing or continuing in any manner any action or other proceeding of any kind on any such released claims except as otherwise permitted pursuant to Section 2.6 of the Plan; (b) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order on such released claims; and (c) creating, perfecting, or enforcing any encumbrance of any kind on such released claims. . . .
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> 56. Releases. Except as otherwise expressly provided in the Plan, this Confirmation Order or a separate order of this Court, the release provisions set forth in Article XIII of the Plan are approved.
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> 86. Substantial Consummation Substantial consummation of the Plan shall be deemed to occur on the Effective Date.

*Confirmation Order, 2005 Bankr. LEXIS 1113, at *31-34, 36-38, 48-53, 80-81*(emphasis added).

H. Hence, in entering [*15] the Confirmation Order, this Court found, inter alia, that: (a) the Plan Release and Injunction were "critical components" of the SHI Settlement, which played "a vital part in the Plan"; and (b) the Plan Release and Injunction were "necessary to the proposed reorganization of the Debtors and the successful administration of their estates." *2005 U.S. Bankr. LEXIS 113. PP 32, 52*.

I. The Effective Date of the Plan was June 21, 2005. In connection with the Effective Date, over $ 260 million in cash and other consideration was contributed to the Debtors' estates on behalf of the SHI Released parties, which included all of the Named Defendants.

The Illinois Action

J. On January 30, 2004, Rosenbaum commenced the Illinois Action against the Named Defendants by filing a complaint in the Illinois Court. On October 25, 2004, Rosenbaum filed its First Amended Complaint (the "Complaint") in the Illinois Action. See Rosenbaum Memo, Exhibit 2. In the Complaint, Rosenbaum asserted a variety of claims (the "Initial Copyright Claims") against the Named Defendants related to the alleged improper use by Doosan and Sumisho of photographs they received from Spiegel and upon which Rosenbaum alleges [*16] it holds the exclusive copyright. The Complaint also asserts that Otto KG is "vicariously liable" for the conduct of Spiegel, Doosan, and Sumisho.

K. The Complaint named Bradford Matson as a defendant in addition to the Named Defendants. Mr. Matson was sued as the Spiegel officer in charge of advertising and of Spiegel's relationship with Rosenbaum. Complaint PP 96, 99.

L. Also in the Illinois Action, both Doosan and Sumisho contested the Illinois Court's jurisdiction. The Illinois Court found it had jurisdiction over Doosan and Sumisho based on the relationship of the Copyright Claims to Spiegel. Memorandum Opinion and Order, *2005 U.S. Dist. LEXIS 21528, Case No. 04 C767 (N.D. Ill. E. Div. September 26, 2005) (the "Jurisdiction Opinion") pp. *6-7*. See Objection, Exhibit B.

M. Once they all had been served with the Complaint, the Named Defendants brought the Plan Release and Injunction to the Illinois Court's attention in November, 2005. See Rosenbaum Memo, Exhibit 4. After a hearing on November 29, 2005, the Illinois Court stayed the Illinois Action subject to any ruling from this Court regarding the scope and application of the Plan Release and Injunction. See Rosenbaum Memo, Exhibit 3.

N. [*17] Also addressed at the November 29 hearing was a motion of Rosenbaum and certain individuals for leave to file a Second Amended Class Action Complaint against, inter alia, the Named Defendants in the Illinois Action. See Reply, Exhibit A. Among the proposed plaintiffs for a subsequent proposed Second Amended Class Action Complaint in the Illinois Action (the "Class Action Complaint") were Stupakoff and James. See Rosenbaum Memo, Exhibit 1. As drafted, the Class Action Complaint would add additional plaintiffs, an additional defendant, and additional causes of action to those included in the Complaint (collectively, with the Initial Copyright Claims, the "Copyright Claims"). The original motion for leave to file a Second

Amended Class Action Complaint was continued and stayed pending Rosenbaum's request for relief from this Court. See Rosenbaum Memo, Exhibit 3.

The Motions

O. On May 4, 2006, more than five months after the Plan Release and Injunction were brought to the Illinois Court's attention, Rosenbaum filed the Motion [Docket No. 4405] and supporting Memorandum of Law in Support of the Motion of Peter Rosenbaum Photography Corporation ("Rosenbaum [*18] Memo") [Docket No. 4406]. Thereafter, the Named Defendants filed their Objection [Docket No. 4431], the parties agreed to a two week adjournment of the Hearing, and Rosenbaum filed its Reply [Docket No. 4433].

P. On June 21, 2006, Stupakoff and James filed their Adjournment Motion [Docket No. 4438]. Later that day, the Named Defendants filed their objection to the Adjournment Motion [Docket No. 4441].

CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED THAT:

The Adjournment Motion

1. There is no basis for adjourning the June 22, 2006 hearing on Rosenbaum's Motion, particularly as: (a) the parties and the Court had expended significant effort to prepare for the Hearing; (b) the Hearing had been adjourned once before; and (c) Rosenbaum, Stupakoff and James each were named as proposed co-plaintiffs in the Class Action Complaint sought to be filed in the Illinois Action. See Rosenbaum Memo, Exhibit 1. The Adjournment Motion is denied.

2. Stupakoff and James' alternative request, for a special finding that any ruling on Rosenbaum's Motion shall have no preclusive effect on any motion or pleading filed by Stupakoff and James, has no legal basis or foundation. [*19] The request for a special finding is denied.

Jurisdiction and Venue

3. This Court has jurisdiction over these chapter 11 cases pursuant to *28 U.S.C. § § 157* and *1334*. [HN2] Confirmation of the Plan is a core proceeding under *28 U.S.C. § 157(b)(2)* and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code. Venue is proper before this Court pursuant to *28 U.S.C. § § 1408* and *1409*.

4. [HN3] A Bankruptcy Court also has inherent or ancillary jurisdiction to interpret and enforce its own orders, including the Confirmation Order, wholly independent of the statutory grant of jurisdiction under *28 U.S.C. § 1334*. *Local Loan Co. v. Hunt, 292 U.S. 234, 239, 54 S. Ct. 695, 78 L. Ed. 1230 (1934)*. [HN4] A Bankruptcy Court's jurisdiction continues post-confirmation to protect its confirmation decree, to prevent interference with the execution of a confirmed plan, and to otherwise aid in its operation. *In re Chateaugay Corp., 201 B.R. 48, 64 (Bankr. S.D.N.Y. 1996)* (hereinafter "Chateaugay") (citing *In re Dilbert's Quality Supermarkets, Inc., 368 F.2d 922, 924 (2d Cir. 1966))*. [*20]

Subject Matter Jurisdiction To Approve Third Party Plan Release

5. This Court has held that [HN5] "'[f]or purposes of determining *section 1334(b)* jurisdiction, it is necessary only to determine whether a matter is at least "related to" the bankruptcy.'" *Chateaugay, 201 B.R. at 63* (quoting *Michigan Employment Security Comm'n v. Wolverine Radio Co., 930 F.2d 1132, 1141 (6th Cir. 1991)*, cert. dismissed, *503 U.S. 978, 112 S. Ct. 1605, 118 L. Ed. 2d 317 (1992))*. This Court further stated that the appropriate test for determining whether a claim is "related to" a debtor is "whether the outcome of a proceeding 'might have any "conceivable effect" on the bankrupt estate' or if the proceeding has 'any significant connection' with the bankrupt estate." *Chateaugay, 201 B.R. at 63* (quoting *Publicker Indus., Inc. v. U.S., 980 F.2d 110, 114 (2d Cir. 1992))*. This Court then interpreted the conceivable effect test to be "extremely broad" so as to "find related to jurisdiction in a wide variety of circumstances." *Chateaugay, 201 B.R. at 63* (citations omitted); see also *In re Singer, 2002 U.S. Dist. LEXIS 8609,* [*21] *at *14 (S.D.N.Y. 2002)*. Based on such analysis, this Court then held that it "has the power to enjoin [suits] against non-debtor third parties . . . where, as here, the actions against such third parties have at least a conceivable effect upon the Debtors or implicate the interpretation or enforcement of this Court's orders." *Chateaugay, 201 B.R. at 66*.

6. [HN6] "'In bankruptcy cases, a Court may enjoin a creditor from suing a third party, provided the injunction

plays an important part in the Debtor's reorganization plan.'" *In re Metromedia Fiber Network, 416 F.3d 136, 141 (2d Cir. 2005)* (hereinafter "Metromedia") (quoting *In re Drexel Burnham Lambert Group, Inc., 960 F.2d 285, 293 (2d Cir. 1992)* (hereinafter "Drexel"); *In re XO Communications, Inc., 330 B.R. 394, 436-38 (Bank. S.D.N.Y. 2005)*. Courts also approve nondebtor releases when: (1) the estate received substantial consideration, *Drexel, 960 F.2d at 293*; (2) the enjoined claims were "channeled" to a settlement fund rather than extinguished, *MacArthur Co. v. Johns-Manville Corp., 837 F.2d 89, 93-94 (2d Cir. 1988)*; *In re A.H. Robins Co., 880 F.2d 694, 701 (4th Cir. 1989)*; [*22] (3) the enjoined claims would indirectly impact the Debtor's reorganization "by way of indemnity or contribution," Id.; or (4) the plan otherwise provided for the full payment of the enjoined claims, Id.; *Metromedia, 416 F.3d at 142*. In addition, nondebtor releases also may be tolerated if the affected creditors consent. Id. (citing *In re Specialty Equip. Cos., Inc., 3 F.3d 1043, 1047 (7th Cir. 1993))*.

7. In entering the Confirmation Order and incorporating the Plan Release and Injunction, this Court found that the plan release and injunction were "critical components of the SHI Settlement" that played a "vital part in the plan" and were "necessary to the proposed reorganization of the Debtors and the successful administration of their estates." Confirmation Order PP 28, 32, 52, *2005 Bankr. LEXIS 1113, at *31-33 (Bankr. S.D.N.Y. May 25, 2005)*. Consequently, this Court had the power to enjoin creditors from bringing actions against the SHI Released Parties both because the Plan Release and Injunction played an important part in the Plan and because a substantial contribution to the Debtors' estates was made on behalf of the [*23] SHI Released Parties. See *Metromedia, 416 F.3d at 141*; *Drexel 960 F.2d at 293*.

8. Nonetheless, Rosenbaum contends this Court had "no subject matter jurisdiction over the [Copyright Claims] because such claims will have no practical or legal consequence for the Debtors." Rosenbaum Memo p. 10. Yet, the substantial contributions of cash and other consideration to the Debtors' reorganization -- on behalf of the Named Defendants -- were an essential component of the Plan. Those contributions provided for certain distributions that otherwise would not have been made available. In fact, the Disclosure Statement projected the Debtors' Plan would provide at least a 91% distribution to the Debtors' general unsecured creditors, whose claims were classified in Class 4, which voted to accept the Plan.

9. As to the Named Defendants sharing an identity of interest with the Debtors such that the Copyright Claims could impact the Debtors, the Named Defendants could have sought contribution and/or indemnification from Spiegel (or its officers and perhaps other Debtors) because, among other things, Spiegel provided the photographs to Doosan and Sumisho and authorized [*24] them to use the photos on the basis that use of the photographs was unrestricted. Such contribution claims would have impacted both the allocation of the Debtors' property among creditors (including, potentially, directors and officers' insurance policy proceeds) and altered the Debtors' liabilities. See *Hunnicutt Co. v. TJX Cos., Inc., (In re Ames Dept. Stores, Inc.), 190 B.R. 157, 160-161 (S.D.N.Y. 1995)* (holding that the Court had jurisdiction over postpetition litigation between nondebtors and that litigation was "related to the bankruptcy case because the outcome of the dispute has the potential to alter the distribution of the debtor's estate to creditors.") (emphasis added). [2]

2 Rosenbaum argues that any such contribution or indemnification claims were released under the Plan and, therefore, there is no longer any risk to the Debtors. See Reply pp. 11-13. Nevertheless, the potential for such claims must be analyzed at the time of Plan confirmation. Otherwise, virtually no third party plan release would remain valid because in almost every instance the released third party provides a reciprocal release to the debtor.

[*25] 10. Still another impact of the Copyright Claims on the Debtors results from the fact the alter ego type claims alleged by Rosenbaum as the sole or partial basis for the Copyright Claims asserted against the Named Defendants are by law property of the Debtors and the resolution of alter ego type claims was integral to the SHI Settlement incorporated into the Plan. See *Kalb, Voorhis & Co. v. Am. Fin. Corp., 8 F.3d 130, 133 (2d Cir. 1993)* ("[G]ranting the bankruptcy trustee exclusive standing to assert alter ego claims furthers the bankruptcy policy of ensuring that all similarly situated creditors are treated fairly: the alter ego action is based upon allegations that if proven would benefit all the debtor's creditors, i.e., making more assets available to satisfy the debtor's debts."); *In re Enron Corp., 2003 Bankr. LEXIS 330, at *11 (Bankr. S.D.N.Y. Apr. 17, 2003)* ("the trustee

or debtor-in-possession would have exclusive standing to maintain a Delaware corporation's alter ego claim of a general nature."). Accordingly, such claims directly impact the Debtors' rights and property. See *Chateaugay, 201 B.R. at 64-65* (in which this [*26] Court stayed lawsuits against nondebtors due, inter alia, to concerns about the lawsuits' impact on the debtors' assets and cited Wolverine and Hunnicutt approvingly).

11. As to the potential impact of the Copyright Claims on any copyrights of the Debtors related to Rosenbaum's photographs, Rosenbaum argues that "[i]t cannot be disputed . . . that Rosenbaum exclusively owns the copyrights in all photographs it created," Reply p. 10, and, therefore, Rosenbaum's pursuit of the Copyright Claims could not have any "conceivable effect" on the Debtors' estate to warrant subject matter jurisdiction. See *Chateaugay, 201 B.R. at 63*. Although Rosenbaum submitted affidavits of Peter Rosenbaum and Bradford Mattson supposedly supporting Rosenbaum's exclusive ownership of the relevant copyrights, see Reply, Exhibits B and C, there has been no fact discovery by the Named Defendants in the Illinois Action. Hence, it remains possible that the Named Defendants could show Spiegel had a claim to copyrights on the photographs. Indeed, such a conclusion would be consistent with the allegations in paragraphs 26 to 34 of the Affidavit of Bradford Matson that Spiegel provided [*27] Rosenbaum's photographs to the Named Defendants and authorized them to use the photos. [3] See Reply, Exhibit C. Thus, several defenses of the Named Defendants to the Copyright Claims could be based on the position that Spiegel owned the copyright on the disputed photos entirely or in part and, therefore, the Copyright Claims seek to impact property of the Debtors' estates. See *In re Wolverine Radio Co., 930 F.2d at 1143* (risk of collateral estoppel of debtor from litigation against nondebtor enough to confer jurisdiction); *In re Paris Indus. Corp., 132 B.R. 504, 507 (D. Me. 1991)* (enjoining products liability suit against buyer of debtor's assets based on post sale incident because unless free and clear language of sale order was enforced, purchaser would have grounds to sue the debtor to seek rescission).

> 3 Contrary to Rosenbaum's assertion, the acceptance of the truth of Rosenbaum's fact allegations for the purpose of considering the Motion does not require acceptance of Rosenbaum's legal conclusions or preclude consideration of the Named Defendants' potential defenses. See Reply p. 10. Otherwise, a creditor such as Rosenbaum asserting enjoined claims could divest the Bankruptcy Court of subject matter jurisdiction to enforce the injunction just by alleging facts and legal conclusions that would preclude such jurisdiction.

[*28] 12. Consequently, it was appropriate for the Plan Release and Injunction to apply to the Copyright Claims.

The Copyright Claims Are "Related To" The Debtors

13. Rosenbaum argues that even if the Plan Release and Injunction are valid, they do not apply to the Copyright Claims because such claims are not "related to" the Debtors as required by the Plan's language. Nevertheless, any fair reading of the Complaint demonstrates the Copyright Claims are related to the Debtors, including Rosenbaum's allegations that: (a) "Spiegel" and certain of its employees entered into conspiracies with at least some of the Named Defendants to misuse Rosenbaum's copyrighted photographs; (b) the Spiegel executive in charge of advertising was actively involved in the alleged conspiracies to wrongfully use Rosenbaum's photos; (c) pursuant to those conspiracies, Spiegel improperly provided the Named Defendants with Rosenbaum's photos; and (d) Otto KG is "vicariously liable for the wrongful conduct of Spiegel". See e.g., Complaint PP 1, 2, 8, 12, 96, 99, 128, 129, 133, 134, 142, 144, 210, 215, 219, 226. The Class Action Complaint expands on such allegations regarding the Debtors' involvement.

[*29] 14. Such allegations demonstrate that rather than being "independent" of the Debtors' conduct, the Copyright Claims are based upon the Debtors' conduct entirely or almost entirely. The additional allegation that Doosan and Sumisho used Rosenbaum's photographs overseas once the conspiracy with Spiegel and its officers had been initiated and the photos had been provided by Spiegel, hardly serves to make the Copyright Claims unrelated to the Debtors. Rosenbaum, however, makes three arguments to show the Copyright Claims are not "related to the Debtors". The Court rejects these arguments.

15. Rosenbaum first argues that a claim is not "related to the Debtors" under the Plan unless a prerequisite for pursuit of the claim is initiation of a lawsuit against the Debtors. Rosenbaum Memo at 5. See

Reply pp. 5-6 (Rosenbaum submits that its "direct claims" asserted against the Named Defendants for which no Debtor is named as a co-defendant are not "related to the Debtors"). Nonetheless, relevant case law is to the contrary. For example, this Court rejected an identical argument made by Rosenbaum when finding the Court could enjoin lawsuits against nondebtors even though the debtors were [*30] not named in those lawsuits:

> Adamson and Back contend that this cause of action [to enjoin their Virginia Action against nondebtors] should be dismissed because the Virginia Action "only seeks recovery against [LTV Vehicle] pursuant to the express terms of the Stipulation and Order and no recovery is sought against any of the other Debtors. Defendants' Brief p. 28. As set forth above, the Virginia Action and Adamson's threatened actions do constitute improper collateral attacks on this Court's orders. Moreover, since the Debtors are exposed to potential liability (e.g., through an indemnity claim by New AM General) and the other adverse effects set forth above, resulting from such collateral attacks, the fact that the Virginia Action does not seek a direct imposition of liability against the Debtors (other than to the extent provided in the Stipulation and Order) is irrelevant.

Chateaugay Corp., 201 B.R. at 68 (emphasis added). Thus, it is irrelevant that Rosenbaum chose not to name any Debtor as a defendant in any of the complaints against the Named Defendants or to file a proof of claim in these cases based on the Copyright Claims. Instead, [*31] the plain meaning of the "related to the Debtors" phrase in the Plan encompasses the Copyright Claims because, as found above, the Debtors are integral to the Copyright Claims. [4]

> 4 Contrary to Rosenbaum's suggestion, the phrase "related to" as used in the Plan has a broad meaning based on the very contract interpretation rules Rosenbaum espouses. "In many areas of law . . . [HN7] the use of 'arising out of' language in a contract is considered unambiguous and viewed as reasonably supporting only a broad reading." *Nycal Corp. v. Inoco PLC, 1998 U.S. App. LEXIS 31216, No. 98-7058, 1998 WL 870192, at *2 (2d Cir. Dec. 9, 1998)*; see also *Richards v. Princeton Ins. Co., 178 F. Supp. 2d 386, 392-93 (S.D.N.Y. 2001)* (in the context of insurance policies "[t]he term 'arising out of is to be interpreted in a broad and comprehensive sense to mean originating from or growing out of . . . ") (internal quotations omitted). The phrase "related to" is even "broader in scope" than "arising out of," does not require a causal relation, has been found to be synonymous with phrases such as "in connection with" "associated with," "with reference to," and "with respect to," and is not ambiguous in spite of its breadth. *Coregis Ins. Co. v. Am. Health Found., Inc., 241 F.3d 123, 128 (2d Cir. 2001)*; see also *Mehler v. Terminis Int'l Co, 205 F.3d 44, 49 (2d Cir. 2000)* (finding arbitration clause containing "arising out of or relating to" language to be "classically broad" and "precisely the kind of broad arbitration clause that justifies a presumption of arbitrability"); *In re Johns Manville Corp., 340 B.R. 49, 60 (S.D.N.Y. 2006)* ("As the Bankruptcy Court concluded: 'The Court's repeated use of the term "arising out of" and "related to" were not gratuitous or superfluous; they were meant to provide the broadest [third party plan release] protection possible to facilitate global finality for Travelers as a necessary condition for it to make a significant contribution to the Manville estate.'") (citing 2004 WL 1876046, at *31.); *Vt. Pure Holdings, Ltd. v. Descartes Sys. Group, Inc., 140 F. Supp. 2d 331, 334-35 (D. Vt. 2001)* (the "Second Circuit has . . . held that the ordinary meaning of the term 'related to' was clear, unambiguous, and quite broad . . . and . . . has been defined simply as 'connected by reason of an established or discoverable relation'") (citation omitted).

[*32] 16. Second, Rosenbaum argues that rules of contract interpretation should govern the Court's interpretation of the Plan and such rules require the Plan to be interpreted consistent with existing law. See Reply pp. 3-4. Based on that premise, Rosenbaum argues the Court must read limits into the "related to the Debtors" phrase in the Plan Release and Injunction because existing Second Circuit law under Metromedia prohibits a third party plan release from granting abusive "blanket immunity" allegedly inherent in a release of the Copyright Claims. Id. Yet Metromedia merely clarifies

the standard for granting third party plan releases, rather than prohibiting any particular kind of release. See *416 F.3d at 141-42*. Further, as established above, the Plan Release and Injunction were approved in accordance with the standard set forth in Metromedia and other Second Circuit precedent, such as Drexel.

17. Moreover, Metromedia does not stand for the proposition asserted by Rosenbaum. In effect, the Second Circuit did not interpret the third party plan release in that case so as to conform the release to the Second Circuit standard, but rather found [*33] that as written, the release failed to comply with the applicable standard. See *Metromedia, 416 F.3d at 141-42*. Similarly, Rosenbaum's reliance on XO is misplaced. The XO Court interpreted the third party plan release at issue based on then applicable law not because rules of contract interpretation required such an approach, but rather because the express language of the XO plan limited the scope of the release to what was then permissible under applicable law. See *In re XO Communications, Inc. 330 B.R. at 439-41*.

18. Third, Rosenbaum asserts that the Named Defendants effectively admitted the Copyright Claims do not relate to the Debtors because the Named Defendants did not file pleadings in this Court: (a) asserting the Copyright Claims were subject to the automatic stay in these cases; (b) commencing an adversary proceeding seeking to stay the Copyright Claims; or (c) removing Rosenbaum's action to this Court. Rosenbaum Memo at 6-7; Reply p. 7. As to the automatic stay, which only applies to claims against the Debtors, there is no requirement that a claim be subject to the automatic stay in order for the claim to be "related to" the [*34] Debtors. As to seeking a discretionary stay or removal of the Copyright Claims, those may be options, but the Named Defendants had no obligation to pursue them and, therefore, there could be no admission if such remedies were not sought Regardless, the Plan Release and Injunction ultimately obtained by the Named Defendants and their Affiliates constitute the exact relief Rosenbaum suggests the Named Defendants need to have sought.

Estoppel

19. Even, however, if the Copyright Claims somehow were not "related to" the Debtors for purposes of interpretation of the Plan Release and Injunction or for evaluating whether subject matter jurisdiction exists, Rosenbaum would be precluded from asserting those arguments based on collateral estoppel and judicial estoppel arising from Rosenbaum's litigation of personal and subject matter jurisdiction in the Illinois Action.

20. The elements necessary for collateral estoppel here based on a determination in the Illinois Action are: "(1) the issues in both proceedings must be identical; (2) the issue must have been actually litigated and actually decided in the prior proceeding; (3) there must have been a full and fair opportunity to litigate [*35] the issue in the prior proceeding; and (4) the resolution of the issue must have been necessary to support a valid and final judgment on the merits." U.S. v. U.S. Currency in Amount of *$ 119,984, 304 F.3d 165, 172 (2d Cir. 2002)*.

21. Rosenbaum concedes that all of the elements for collateral estoppel are present here other than the issues being identical. See Reply p. 9, n. 11. In effect: (a) the "related to" issue was "actually litigated and actually decided" in the Jurisdiction Opinion entered in the Illinois Action; (b) the Illinois Action provided "a full and fair opportunity to litigate" the "related to" issue; and (c) the Illinois Court's Jurisdiction Opinion was "necessary" to provide that Court with jurisdiction.

22. As to the issues being identical, Rosenbaum raises the following three points regarding the collateral estoppel impact of the Illinois Court's personal jurisdiction ruling, which found personal jurisdiction over Doosan in Illinois based entirely on Doosan's alleged connection with Spiegel. Jurisdiction Opinion pp. 4-5, Reply pp. 8-9:

> (a) Rosenbaum argues that the Illinois Court never specified whether it found personal jurisdiction over [*36] Doosan based on the "arising out of" standard or the "related to" standard. That distinction, however, is irrelevant because "arising out of" is a subset of "related to". See *Coregis Ins. Co. v. Am. Health Found., Inc., 241 F.3d 123, 128 (2d Cir. 2001)* (the phrase "related to" is even "broader in scope" than the phrase "arising out of"). Thus, a ruling under either standard would signify the claims against Doosan were "related to" the Debtors.
>
> (b) Rosenbaum suggests the two standards differ because personal jurisdiction is based on whether a defendant's contact is "related to" the

controversy while application of the Plan Release and Injunction is based on whether the Copyright Claims "related to" the Debtors. Yet, Rosenbaum's theory is incorrect because the controversy and the Copyright Claims are identical and, in any event, the standards do not differ.

(c) Rosenbaum argues that the Jurisdiction Opinion only covers Doosan on the personal jurisdiction issue. While that is true, as the Copyright Claims include similar allegations against the other Named Defendants, this distinction is irrelevant.

23. Notably, Rosenbaum does not even address the Illinois Court's [*37] ruling on subject matter jurisdiction. See Reply pp. 8-9. The Illinois Court found subject matter jurisdiction to entertain the Complaint based entirely on Rosenbaum's allegations of unauthorized predicate acts by Spiegel that the Named Defendants allegedly knew of and induced. Jurisdiction Opinion pp. 6-7 ("In the instant case, any unauthorized reproduction of plaintiff's photographs by Spiegel is a violation of the Copyright Act within the United States and constitutes a predicate act of direct infringement."). Hence, there can be no dispute that the Illinois Court's subject matter determination resolved the issue of whether the Copyright Claims are "related to the Debtors". Consequently, Rosenbaum is subject to collateral estoppel on the "related to" issue.

24. The elements necessary for judicial estoppel to apply here based on the Jurisdiction Opinion are: "[1] the party against whom the estoppel is asserted must have argued an inconsistent position in a prior proceeding; and [2] the prior inconsistent position must have been adopted by the court in some manner." *Bates v. Long Island R. Co., 997 F.2d 1028, 1038 (2d Cir. 1993).*

25. Rosenbaum concedes that [*38] all of the elements for judicial estoppel are present here other than the issues being identical; i.e., that Rosenbaum asserted a prior inconsistent position in the Illinois Action. See Reply p. 9, n. 11. Yet the same analysis applicable to collateral estoppel demonstrates that Rosenbaum asserted a prior inconsistent position in the Illinois Action. Accordingly, judicial estoppel also precludes Rosenbaum's "related to" argument.

Res Judicata

26. [HN8] Once, as here, a confirmation order has become final and nonappealable, a collateral attack on the order is precluded by res judicata principles and, therefore, the confirmation order is no longer subject to challenge based on the standard applicable to the initial approval of a third party plan release. *Stoll v. Gottlieb, 305 U.S. 165, 171-72, 59 S. Ct. 134, 83 L. Ed. 104(1938)*. In Stoll v. Gottlieb, the Supreme Court held that the doctrine of res judicata precludes a creditor from enforcing a guaranty obligation of a nondebtor once that obligation had been released pursuant to a plan of reorganization of the debtor/primary obligor that has been approved by a final, nonappealable order. The Supreme Court found that res judicata [*39] applied whether or not the bankruptcy court initially had the power to grant the release, reasoning as follows: "Every court in rendering a judgment tacitly, if not expressly, determines its jurisdiction over the parties and the subject matter . . . . [Thereafter,] the Court in which the plea of res judicata is made has not the power to inquire again into that jurisdictional fact." Id. (citations omitted).

27. Based on Stoll v. Gottlieb, the Fifth Circuit held that the doctrine of res judicata prevents a creditor from enforcing a nondebtor's guaranty obligation that was released pursuant to a plan confirmed by a final, nonappealable order. *Republic Supply Co. v. Shoaf, 815 F.2d 1046, 1054 (5th Cir. 1987).* The Fifth Circuit reasoned that "[w]e read Stoll to mean, therefore, that at least in the case of a bankruptcy court's exceeding its statutory authority by releasing a guarantor of a debtor, the interest in finality surpasses any threat that courts will engage in drastic overreaching." Id. Hence, whether or not this Court properly approved the Plan Release and Injunction in connection with confirmation of the Plan, res judicata principles [*40] preclude a collateral attack on the Plan Release and Injunction now.

28. Rosenbaum, however, argues that it is not collaterally attacking the Confirmation Order, but merely seeking an interpretation of the Order. See, e.g., Reply pp. 6, 13-15. Rosenbaum's three arguments in this regard are incorrect:

(a) Rosenbaum asserts that the Illinois Court "directed the parties to go to this Court to get an interpretative ruling" and, therefore, Rosenbaum's motion must be

viewed as such an attempt Reply p. 13 (citing Transcript attached as Exhibit A to the Reply). In fact, the Illinois Court found that the Plan Release and Injunction enjoined the Illinois Action unless Rosenbaum could obtain relief in this Court. See Reply, Exhibit A; Motion, Exhibit 3. Regardless, a direction by the Illinois Court to seek relief here cannot convert a collateral attack into a request for an interpretive ruling.

(b) Rosenbaum suggests that a collateral attack on a confirmation order only occurs when revocation of a confirmation order is sought based on fraud under *section 1144 of the Bankruptcy Code*. See Reply p. 15. While a request for relief based on fraud certainly is [*41] a collateral attack on a confirmation order, there are other types of collateral attacks as well. Here, among other things, Rosenbaum argues the Plan Release and Injunction were improperly approved because: (i) these case are not the type of "rare cases" Metromedia viewed as justifying a third party plan release; (ii) prior to entry of the confirmation order, there was inadequate disclosure that the Plan Release and Injunction would apply to the Copyright Claims; and (iii) equitable considerations should preclude such application. See Reply pp. 4, 5, 18. Yet, prior to and in connection with confirming the Plan, this Court already determined that: (x) the Second Circuit standard for approval of a third party plan release was satisfied here; (y) there was adequate disclosure and notice regarding confirmation of the Plan; and (z) the SHI Settlement "is fair, equitable and reasonable". Confirmation Order PP G, I, 28, 32, 52.

(c) Rosenbaum contends that In re XO Communications, Inc. authorizes postconfirmation interpretation of third party plan releases so they conform with then applicable law. See Reply p. 15. Yet XO is readily distinguishable because the release at [*42] issue was limited "to the fullest extent permitted by law as such law may be extended or interpreted subsequent to the Effective Date." *330 B.R. at 439-41*. Hence, unlike here, interpretation of the XO plan release in accordance with applicable law was required by the language of the release. Moreover, the XO decision actually supports enforcement of the Plan Release and Injunction here because XO upheld application of a third party plan release to protect a creditor on whose behalf a substantial contribution was made to the debtor's estate and who had released a potential claim against the debtor for indemnification or contribution. Id.

29. Alternatively, Rosenbaum asserts that Stoll v. Gottlieb and res judicata principles are inapplicable here for four reasons. See Reply pp. 16-17. Rosenbaum's first purported distinction, that Rosenbaum only seeks an interpretative ruling of rather than makes a collateral attack on the Confirmation Order, is rejected above.

30. Rosenbaum's second asserted distinction, that Stoll involved greater disclosure of the claim released in the plan at issue, is insignificant because there is no requirement [*43] in Stoll or Second Circuit cases addressing third party plan releases for such disclosure. See, e.g., *Corbett v. MacDonald Moving Servs., 124 F.3d 82, 85-87 (2d Cir. 1997)* (upholding application of third party plan release to pension liability asserted against debtor's parent despite no pre-confirmation disclosure expressly stating that the release covered the pension claim). [5]

5 There are multiple other reasons why such disclosure was unnecessary. The plain language of the Plan Release and Injunction signified they covered the Copyright Claims. Further, as Rosenbaum argues the Copyright Claims were unimportant prior to Plan Confirmation, see Reply p. 18, there would not have been the sense at that time that the Copyright Claims were of sufficient magnitude to warrant express disclosure. Also, Rosenbaum's argument that the Copyright Claims should have been discussed in the Disclosure Statement, which would not have been sent to

> purported class plaintiffs who did not file a claim in the Spiegel cases or have their claims scheduled by the Debtors, is inconsistent with Rosenbaum's assertion in the Class Action Complaint, P 344, that Rosenbaum's claims were typical of the claims of all class plaintiffs. Additionally, the disclosure cases cited by Rosenbaum such as *In re Wolfson, 139 B.R. 279 (Bankr. S.D.N.Y. 1992)*, are inapplicable here because they merely require individual debtors not to hide any of their assets.

[*44] 31. Rosenbaum's third alleged "distinction" of Stoll is that res judicata does not apply here because the Named Defendants did not list the elements of res judicata. Yet those elements are readily established here: (a) the Confirmation Order was a final judgment; (b) this Court is a court of competent jurisdiction to enter the Confirmation Order; (c) the Confirmation Hearing involved the same parties, i.e., the Named Defendants and creditors of the Debtors such as Rosenbaum; and (d) the Confirmation Hearing involved the same claims, i.e., the Plan Injunction and Release applies to the Copyright Claims.

32. Rosenbaum's fourth attempted distinction is that application of res judicata also requires a determination that pursuit of the Copyright Claims "would impair, destroy, challenge, or invalidate the enforceability or effectiveness of the reorganization plan." Reply p. 17 (citing *Sure-Snap Corp. v. State Street Bank and Trust Co., 948 F.2d 869, 875-76 (2d Cir. 1991)*). Whether or not that is required, it is apparent here that invalidation of the Plan Release and Injunction and loss of the related SHI Settlement consideration exceeding $ 260 million [*45] would impair, destroy, and invalidate the Plan, even if it were possible to implement such steps now.

Equitable Mootness

33. Even without application of res judicata principles, courts consistently find that [HN9] when, as here, a plan has been "substantially consummated," the related confirmation order no longer is subject to review. See, e.g., *Metromedia, 416 F.3d at 144* (Second Circuit holds that appeal of order confirming a "substantially consummated" plan that included a third party release is equitably moot even though the Second Circuit found that the release in question should not have been approved in the first instance); *In re Loral Space & Communications Ltd., 342 B.R. 132, 137-38 (S.D.N.Y. 2006)* (dismissing appeal of confirmation order as being equitably moot, based largely on the presumption of equitable mootness and the appellant's failure to seek a stay of the confirmation order); *In re Trico Marine Services, Inc., 343 B.R. 68 (Bankr. S.D.N.Y. 2006)* (denying request for plan revocation because "even if [the movant] could prove fraud, the Court could not fashion a remedy that would satisfy the requirements [*46] of *§ 1144*." Among other reasons, stock had been issued to creditors under the Trico Marine plan and such stock subsequently was traded, which is exactly what has occurred in the Debtors' cases).

34. [HN10] A plan has been "substantially consummated" when, as here, substantially all of the property proposed to be transferred pursuant to the plan has in fact been transferred, the reorganized debtor has assumed control of the business, and plan distribution has commenced. *Metromedia, 416 F.3d at 144*. Indeed, paragraph 86 of the Confirmation Order expressly provides that "[s]ubstantial consummation of the Plan shall be deemed to occur on the Effective Date." As the Plan's Effective Date has occurred, the Plan was substantially consummated. Therefore, Rosenbaum's Motion is equitably moot.

Equitable Considerations

35. As established above, even if the equities were relevant to the initial approval of a third party plan release, at this point, Rosenbaum's equitable arguments are collateral attacks on the Confirmation Order, which, inter alia, found the SHI Settlement to be fair and equitable. Regardless, Rosenbaum's equitable arguments are to no avail: [*47]

> (a) Rosenbaum argues the release of the Copyright Claims in particular was not important to the Debtors' reorganization and, therefore, is not covered by the Plan Release and Injunction. Rosenbaum Memo pp. 19-20; Reply pp. 18-20. Nonetheless, the language of the Plan Release does not distinguish between important and unimportant claims. Moreover, whether or not Rosenbaum's contention is true begs the question. Instead, the issue is whether the Plan Release and Injunction and the related SHI

Settlement consideration each were important as whole to the Spiegel cases, not whether each individual claim released was important. There is no question about such aggregate importance, as this Court expressly found. *Confirmation Order, 2005 Bankr. LEXIS 1113 at *31*.

(b) Rosenbaum contends the Copyright Claims could not be released if the SHI Settlement consideration did not directly reach Rosenbaum on account of the enjoined Copyright Claims. See Reply pp. 20-21. Yet, the Second Circuit has rejected that exact argument:

> Appellants also claim that notwithstanding any other limitation on nondebtor releases, good and sufficient consideration must be paid to any enjoined [*48] creditor. Such consideration has weight in equity, but it is not required. In *Drexel Burnham* the complaining creditors received none of the settlement with Drexel's personnel. *950 F.2 at 289, 293*.

Metromedia, 416 F.3d at 143 (emphasis added). Notably, this Court specifically found the Plan Release was fair and necessary. *Confirmation Order, 2005 Bankr. LEXIS 1113, at *31, 33*. [6]

6 Moreover, the distribution to all creditors (including Rosenbaum and/or the assignee of its claim) of the substantial settlement consideration contributed on behalf of the Named Defendants and their Affiliates made particular sense here, as key claims asserted against such parties-including those of Rosenbaum-relied in large part on alter ego and other theories assertable for the benefit of all of the Debtors' creditors.

(c) Rosenbaum argues that Sumisho and Doosan may not benefit from the Plan Release and Injunction because they did not directly contribute to the SHI Settlement. [*49] See Reply p. 21. Nevertheless, the making of a single contribution on behalf of multiple beneficiaries of a third party plan release is both customary and acceptable. See, e.g., *In re XO Communications, Inc., 330 B.R. at 439-40*.

(d) Rosenbaum contends that it should not be subject to the Plan Injunction and Release because Rosenbaum has not had its day in court regarding the Copyright Claims. Yet the notion that each creditor must have fully litigated its claim is unfounded and mutually inconsistent with the concept of a third party plan release.

36. Moreover, Rosenbaum's contention completely ignores the equities favoring the Named Defendants. For example, over $ 260 million in cash and other consideration already has been contributed to the Debtors' estates on behalf of the Named Defendants and their Affiliates. Further, numerous actions have been taken by all parties in reliance on those contributions and the substantial consummation of the Plan. Also, it appears Rosenbaum made a calculated decision not to file a proof of claim based on the Copyright Claims or to otherwise participate in these cases until now to challenge the Plan Release and Injunction.

[*50] 37. Accordingly, equitable considerations are of no benefit to Rosenbaum.

DECREES

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The findings of fact and conclusions of law of this Court set forth herein and at the Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy *Rule 7052*, as made applicable herein by Bankruptcy *Rule 9014*. The findings of fact and conclusions of law of this Court at the Hearing are

incorporated herein by reference. To the extent that any of the foregoing findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the foregoing conclusions of law constitute findings of fact, they are adopted as such.

2. Stupakoff and James' Adjournment Motion is denied in all respects.

3. The Plan Release and Injunction release the Named Defendants from and enjoin pursuit of the Copyright Claims.

4. Rosenbaum's Motion is denied in all respects.

Dated: New York, New York

August 16, 2006

/s/ Hon. Burton R. Lifland

UNITED STATES BANKRUPTCY JUDGE

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EXHIBIT Y

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As of: Oct 12, 2015

In re DBSD NORTH AMERICA, INC., et al., Debtors. SPRINT NEXTEL CORPORATION, Appellant, -against- DBSD NORTH AMERICA, INC., et al., Appellees. DISH NETWORK CORPORATION, Appellant, -against- DBSD NORTH AMERICA, INC., et al., Appellees.

09 Civ. 10156 (LAK), 09 Civ. 10372 (LAK), 09 Civ. 10373 (LAK)

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

2010 U.S. Dist. LEXIS 33253

March 24, 2010, Decided
March 24, 2010, Filed

SUBSEQUENT HISTORY: Affirmed in part and reversed in part by, Remanded by, Stay vacated by, As moot *Dish Network Corp. v. DBSD N. Am., Inc. (In re DBSD N. Am., Inc.), 627 F.3d 496, 2010 U.S. App. LEXIS 24861 (2d Cir., 2010)*
Affirmed in part and reversed in part by, Remanded by *Dish Network Corp. v. DSD N. Am., Inc. (In re DBSD N. Am.), 2010 U.S. App. LEXIS 27007 (2d Cir. N.Y., Dec. 6, 2010)*

PRIOR HISTORY: [*1]
(Chap. 11 Case No. 90-13061 (REG)).
In re DBSD N. Am., Inc., 419 B.R. 179, 2009 Bankr. LEXIS 3341 (Bankr. S.D.N.Y., 2009)

CASE SUMMARY:

PROCEDURAL POSTURE: Before the court were on appeals by appellant satellite company from (1) the order of the U.S. Bankruptcy Court for the Southern District of New York, confirming debtors' second amended joint plan of reorganization, and (2) the decision on debtors' motion to designate the satellite company's vote to reject debtors' reorganization plan, and appellant communications corporation's appeal from the confirmation order.

OVERVIEW: The court found no clear error of fact or error of law in the bankruptcy court's determination that the satellite company would receive the indubitable equivalent pursuant to the plan. The satellite company's attack on the holding with respect to future financing or a strategic partnership was unpersuasive, as the bankruptcy court permissibly relied on ample evidence that two corporations both had raised substantial funds in difficult markets and despite greater risk factors and higher debt loads and expert testimony that debtors' asset value would be sufficient to enable them to raise capital even if they had no revenue. The court was also unconvinced by the satellite company's argument that the bankruptcy

court erred in designating its vote, and improperly created an additional remedy for the designation. As to the communication coporation's appeal, there was abundant record evidence to support the bankruptcy court's findings as to the value of the debtors' business. Additionally, because the distribution the corporation contested was a transfer of assets by the senior noteholders of property to which they were legally entitled, the absolute priority rule did not apply.

OUTCOME: The orders appealed from were affirmed.

LexisNexis(R) Headnotes

Bankruptcy Law > Reorganizations > Plans > Confirmation > Prerequisites > Feasibility
[HN1] In the context of *11 U.S.C.S. § 1129(a)(11)* proof of feasibility does not require that success be guaranteed. All that is required is that the plan have a reasonable likelihood of success.

Bankruptcy Law > Practice & Proceedings > Appeals > Standards of Review > Abuse of Discretion
Bankruptcy Law > Practice & Proceedings > Appeals > Standards of Review > Clear Error Review
[HN2] In the bankruptcy context, findings of fact must be upheld unless clearly erroneous and the exercise of discretion unless it was an abuse.

Bankruptcy Law > Reorganizations > Plans > Acceptance
[HN3] See *11 U.S.C.S. § 1126(c)*.

Bankruptcy Law > Reorganizations > Plans > Confirmation > Prerequisites > Fairness
[HN4] The absolute priority rule applies only to distributions of "estate" property to holders of junior claims and interests that are on account of such junior claim or interest. *11 U.S.C.S. § 1129(b)(2)(B)(ii)*. The rule therefore precludes the distribution of estate assets to junior creditors unless claims of more senior creditors are fully satisfied.

COUNSEL: For DBSD North America, Inc., In Re (1:09-cv-10156-LAK): Marc Jason Carmel, Kirkland & Ellis LLP (IL), Chicago, IL.

For DBSD North America, Inc., Debtor (1:09-cv-10156-LAK): Marc Jason Carmel, Kirkland & Ellis LLP (IL), Chicago, IL.

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JUDGES: Lewis A. Kaplan, United States District Judge.

OPINION BY: Lewis A. Kaplan

OPINION

MEMORANDUM AND ORDER

LEWIS A. KAPLAN, *District Judge*.

This matter is before the Court on appeals by (a) DISH Network Corporation ("DISH") from (1) the Findings of Fact and Conclusions of Law Confirming Debtors' Second Amended Joint Plan of Reorganization (the "Confirmation Order") [Bankr. DI 547], and (2) the Decision on Debtors' Motion to Designate Dish Network's Vote to Reject Debtors' Reorganization Plan (the "Designation Order") [Bankr. DI 597], and (b) Sprint Nextel Corporation ("SPRINT") from the Confirmation Order. I assume familiarity with *the extensive* findings and conclusions contained in the Confirmation and Designation Order by Bankruptcy Judge Robert E. Gerber as well as with his Bench Decision on Confirmation ("Bench Decision") [Bankr. DI 479]. As I find Judge Gerber's characteristically thorough analysis to have explicated the issues fully, I see no need to repeat what he has described [*4] in 134 pages of findings, conclusion and discussion and focus simply on the appellants' assignments of error.

The DISH Appeals

1. DISH first argues that the court below ignored contemporaneous market evidence and therefore erred in determining that DISH would receive the "indubitable equivalent" of its first lien claim.

It is important at the outset to place this argument in context. The issue arose in the context of Judge Gerber's consideration of whether the cramdown feature of the plan was appropriate as respects DISH. At the outset, he held that the *Section 1129(b)* requirements for a cramdown did not have to be satisfied with respect to DISH in consequence of the designation of the DISH votes. Bench Dec. 37-42. While DISH objects to that conclusion (DISH Br. 43-48), I agree with Judge Gerber's reasoning. In consequence, DISH's "indubitable equivalent" argument is moot. Even if it were not, however, his determination that DISH will receive the indubitable equivalent pursuant to the plan is a finding of fact or, in any case, a mixed question of law and fact. I see no clear error of fact or error of law. In consequence, his alternative conclusion that the cramdown requirements were satisfied [*5] is affirmed. Findings P47; Bench Dec. 9-12, 37-47.

2. DISH next contends that the court below erred in determining that the plan is feasible under *Section 1129(a)(11)* of the Code.

To begin with, DISH does not seriously take issue with the Bankruptcy Court's holding that [HN1] proof of feasibility does not require "that success be guaranteed." Bench Dec. 33. All that is required is that "the plan ha[ve] a reasonable likelihood of success." *Id*. (quoting *In re Adelphia Bus. Solutions, Inc., 341 B.R. 415, 421-22 (S.D.N.Y. 2003)* (in turn citing *In re Johns-Manville Corp., 843 F.2d 636, 650 (2d Cir. 1988))*. Thus, its quarrel is with Judge Gerber's conclusion that this standard was satisfied here. Indeed, its argument essentially boils down to a matter of characterization - DISH's descriptor of choice being "speculative" while Judge Gerber spoke in terms of a reasonable likelihood.

Here, the Bankruptcy Court relied on the "dramatic[] deleverag[ing]" of the Debtors upon emergence from Chapter 11, evidence that the Debtors had sufficient liquidity and would be able to meet working capital needs through current financing commitments and the likelihood that it would be able to secure additional financing [*6] or a strategic partnership when necessary, and credible testimony that the credit markets had loosened up. Bench Dec. 34-37.

DISH's attack on the holding with respect to future financing or a strategic partnership is unpersuasive. The court below permissibly relied on (1) ample evidence that Sky Terra and TerreStar both had raised substantial funds in difficult markets and despite greater risk factors and higher debt loads and (2) expert testimony of Yuri Brodsky of UBS, which it credited, that the Debtors' asset value would be sufficient to enable them to raise capital even if they had no revenue

Finally, DISH's contention that the Bankruptcy Court deprived it of due process in relying for its feasibility finding on proposals that it considered only *in camera* is somewhat misleading and, in any case, ultimately without merit It is somewhat misleading because (1) testimony was taken in open court as to the fact that proposals had been made, (2) the Bankruptcy Court considered only that fact, as distinguished from the detailed substance it reviewed *in camera*, (3) it explicitly stated it considered the *in camera* submissions only to the extent that they "provide[d]. [*7] comfort that the testimony" that proposals had been made "was truthful," and (4) it relied on the fact that proposals had been made only in support of its conclusion that the Debtors' "view that they'll be able to secure one or the other, if not both, is very reasonable" Bench Dec 35 & n. 106

Even assuming *arguendo* that it was improper to consider the proposals *in camera*, I find that any such error was harmless There was ample evidence to support the determination of feasibility without regard to the existence of these other proposals, and the decision below makes clear that the Bankruptcy Court would have reached the same result even in their absence

3 DISH argues next that the Bankruptcy Court (a) erred in designating its vote, and (b) in any case improperly created an additional remedy for the designation These contentions are unconvincing

First, the court below found "that DISH made its investment in this chapter 11 case, and has continued to act, not as a traditional creditor seeking to maximize its return on the debt it holds, but as a strategic investor, 'to establish control over this strategic asset.'" Designation Order 8 It therefore held that DISH had not acted in good faith [*8] and exercised its discretion to designated its vote under *11 U.S. C § 1126(e)* Designation Order 8-18 [HN2] The finding of fact must be upheld unless clearly erroneous and the exercise of discretion unless it was an abuse. The holding that DISH's intention to establish control over the Debtors constituted bad faith within the meaning of the Code is subject to *de novo* review.

There is no convincing case for the proposition that the finding below was clearly erroneous While DISH emphasizes evidence that it regards as favorable to it, there was an abundance of evidence supporting the finding *E.g.*, Designation Order 3-8, Debtors' Br. 31-35 This Court is not left with "the definite and firm conviction that a mistake has been committed" *In re Manville Forest Prods Corp, 896 F.2d at 1388* (quotation marks omitted).

Second, DISH's contention that the Bankruptcy Court created an additional remedy for the designation is sophistry, plain and simple. *Section 1126(c)* of the Code provides that

> [HN3] "[a] class of claims has accepted a plan if such a plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half [*9] in number of the allowed claims held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan."

DISH owned the only Class I Pretention Secured Claim. Once its vote was designated, there were no claimants in that class who could have voted either to accept or reject the plan. The court below therefore was required to construe *Section 1126(c)* on those unusual facts, and that is what it did. It most assuredly did not create an additional or supplemental remedy for the designation. Misleading rhetoric aside, therefore, DISH's argument comes down to the contention that the court below erred as a matter of law in construing *Section 1126(c)* as meaning that Class 1, on those facts, was vacant and could be disregarded for *Section 1126(c)* purposes or that it was to "be regarded as an accepting class." Bench Dec. 39-42.

DISH's argument to the contrary is unpersuasive. Were it accepted, its consequence would be that DISH - by purchasing all of the claims in that class and by engaging in conduct sufficiently egregious to warrant designation of its vote - would have achieved precisely what it set out to achieve. This Court agrees [*10] with

Judge Gerber's resolution of this issue.

Third, it is not clear whether DISH means to argue that the Bankruptcy Court's finding "that DISH made its investment in this chapter 11 case, and has continued to act, not as a traditional creditor seeking to maximize its return on the debt it holds, but as a strategic investor, 'to establish control over this strategic asset,'" assuming it is not clearly erroneous, is insufficient to establish a lack of "good faith" within the meaning of *Section 1126(e)*. Assuming that it does, however, this Court rejects the argument. As DISH's brief recognizes:

> "courts have designated votes:
>
> > "1) if the claimant is using obstructive tactics and hold-up techniques to extract better treatment for its claim compared to the treated afforded similarly situated claimholders in the same class; or 2) if the holder of the claim casts its vote for the ulterior purpose of securing some advantage to which [the creditor] would not otherwise [have been] entitled; or 3) when the motivation behind its vote is not consistent with a creditor's protection of its own self-interest." DISH Br. 33-34 (quoting *In re Adelphia Commc'ns Corp., 359 B.R. 54, 60 (Bankr. S.D.N.Y. 2006))*.

Judge [*11] Gerber here found that DISH in this case "act[ed] in furtherance of an ulterior motive, unrelated to its claim or its interests as a creditor" - "establish[ing] control over this strategic asset." Designation Order 9-10, 8. Given those findings, there was no error of law.

4. DISH's contention that the Bankruptcy Court erred in finding that the plan had been proposed in good faith is singularly unpersuasive.

The SPRINT Appeal

1. SPRINT first argues that the Bankruptcy Court's finding that the value of the reorganized Debtors' business was less than the amount of the Debtors' secured debt is clearly erroneous. It maintains that the Bankruptcy Court erroneously "adopted" the Debtors' valuation opinion, which, it claims, (1) did not take into account "improved market conditions" and (2) was based on analyses that were stale at the time of the confirmation hearing.

There is abundant record evidence to support the Bankruptcy Court's findings as to the value of the Debtors' business. Judge Gerber's opinion exhaustively discusses all evidence presented by the parties and sets forth the methodology the Bankruptcy Court ultimately adopted. Further, the Bankruptcy Court expressly acknowledged "uncertainty [*12] in the markets" and credited the Debtors' expert valuation because it reflected the recent rise in the market price of comparable companies' debt securities. Bench Dec. 27-28. In any event, SPRINT neither offered its own valuation expert nor adduced any evidence to contradict the Bankruptcy Court's findings. In consequence, I see no clear error of fact.

2. SPRINT argues next that the Bankruptcy Court erred in determining that the plan satisfied the requirements of *11 U.S.C. § 1129(b)(2)(B)*, which is known as the absolute priority rule. It contends that the senior noteholders' "gift" to the existing stockholder violates the "plain language of the Bankruptcy Code" because it allegedly would circumvent the rights of the unsecured creditors, including SPRINT.

SPRINT's argument is without merit. By its plain terms, [HN4] the absolute priority rule applies only to distributions of "estate" property to holders of junior claims and interests that are "on account of such junior claim or interest." *11 U.S.C. § 1129(b)(2)(B)(ii)*. The rule therefore precludes the distribution of estate assets to junior creditors unless claims of more senior creditors are fully satisfied. Here, the senior noteholders, [*13] which concededly hold perfected security interests in substantially all of the Debtors' assets, are undercollateralized. In consequence, neither the unsecured creditors, including SPRINT, which are out of the money by over $ 100 million, nor the existing stockholder may receive a distribution on account of their claims or interests in the estates. Instead, the distribution

SPRINT contests is a transfer of assets by the senior noteholders of property to which they are legally entitled. The absolute priority rule therefore does not apply.

SPRINT rejoins that the property distributed under the plan - stock in the reorganized entity -- "would not exist but for the [p]lan" and therefore "is not part of the Senior Noteholders' collateral." SPRINT Reply at 4-5. That argument is no more convincing.

The plan provides the following with respect to Class 2, which consists of all senior noteholders:

> "In full and final satisfaction, release, and discharge of and in exchange for each Allowed Senior Note Claim . . . each Holder of an Allowed Class 2 Senior Note Claim shall receive its Pro Rata share of the Senior Noteholders' Shares and shall be entitled to participate in the New Credit Facility.... The [*14] distributions to the Allowed Class 1 Claims and the Allowed Class 2 Claims take into account and conform to the relative priority and rights of the Claims in Class 1 and in Class 2 in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, *section 510(b) of the Bankruptcy Code*, or otherwise, and are in full settlement and discharge thereof." Plan ART. III § 2(b).

The plan thus expressly provides that the senior noteholders are to receive a distribution of stock in the reorganized entity according to their "relative priority" and "in full satisfaction and discharge" of their rights to the Debtors' collateral pursuant to the Bankruptcy Code. That stock will be theirs to dispose of as they will. The very terms of the plan therefore belie SPRINT's contention. I find no error of law.

Conclusion

The orders appealed from are affirmed. The Clerk shall close the cases.

SO ORDERED.

Dated: March 24, 2010

/s/ Lewis A. Kaplan

Lewis A. Kaplan

United States District Judge

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EXHIBIT Z

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re: MONTREAL, MAINE & ATLANTIC CANADA CO., Foreign Applicant in Foreign Proceeding.	Chapter 15 Case No. 15-20518

ORDER RECOGNIZING AND ENFORCING THE PLAN SANCTION ORDER OF THE QUÉBEC SUPERIOR COURT

This matter was brought before the Court upon the *Motion for Entry of an Order Recognizing and Enforcing the Plan Sanction Order of the Québec Superior Court* (the "Motion")[1] of Richter Advisory Group Inc., the court-appointed monitor (the "Monitor") and authorized foreign representative of Montreal, Maine & Atlantic Canada Co. ("MMA Canada") in a proceeding (the "Canadian Proceeding") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pending before the Québec Superior Court of Justice (Commercial Division) (the "Québec Court"), seeking the entry of an order pursuant to sections 105(a), 1507, and 1521 of title 11 of the United States Code (the "Bankruptcy Code") giving full force and effect in the United States to the Plan Sanction Order of the Québec Court dated **July 13, 2015**, including any extensions or amendments thereof (the "Plan Sanction Order"), attached hereto as **Exhibit A**, which Plan Sanction Order sanctions MMA Canada's *Amended Plan of Compromise and Arrangement* dated June 8, 2015 (as the same may be amended, revised or supplemented in accordance with its terms, the "CCAA Plan"), attached hereto as **Exhibit B**. It appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and it appearing that venue is proper in this District pursuant to

[1] Capitalized terms not defined herein have the meaning ascribed to them in the Motion.

28 U.S.C. § 1410; and the Court having considered and reviewed the *Memorandum of Law in Support of Motion for Entry of an Order Recognizing and Enforcing the Plan Sanction Order of the Québec Superior Court* (the "Memorandum of Law"); and the Court having held a hearing to consider the relief requested in the Motion on August 20, 2015 (the "Hearing"), at which time all parties-in-interest were given an opportunity to be heard; and it appearing that sufficient notice of the Motion and Hearing has been given to parties-in-interest and no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor; the Court hereby **FINDS** and **CONCLUDES** as follows:

A. On June 9, 2015, a meeting of creditors was held in Lac-Megantic, Québec, where the CCAA Plan was approved by the requisite number and amount of creditors required for approval under the CCAA.

B. On June 17, 2015, a hearing was held before the Québec Court for the approval of the CCAA Plan.

C. On July 13, 2015, the Québec Court granted the Plan Sanction Order, and approved the CCAA Plan.

D. On July 20, 2015, the Monitor commenced a chapter 15 case in this Court and requested the relief set forth in *Verified Petition for Recognition of Foreign Proceeding and Related Relief*.

E. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and sections 105(a), 1507, and 1521 of the Bankruptcy Code.

F. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

G. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

H. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 105(a), 1507, and 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

I. The relief granted herein is not manifestly contrary to the public policy of the United States, as prohibited by section 1506 of the Bankruptcy Code.

J. Each of the releases and injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the success of the CCAA Plan, (iii) is an integral element of the CCAA Plan and to its effectuation and (iv) confers material benefits on, and is in the best interests of, MMA Canada and its creditors.

NOW, THEREFORE, IT IS HEREBY **ORDERED**, **ADJUDGED**, AND **DECREED**, AS FOLLOWS:

1. The form and manner of notice and service of the Motion and the notice of hearing described in the Motion is adequate and sufficient, and is hereby approved.

2. The CCAA Plan and Plan Sanction Order, in their entirety, are hereby recognized, granted comity and given full force and effect in the United States and are binding on all persons subject to this Court's jurisdiction pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code. All rights of creditors and parties-in-interest of MMA Canada with respect to the Canadian Proceeding, including without limitation, the allowance, disallowance, and dischargeability of claims under the CCAA Plan, shall be assessed, entered and/or resolved in accordance with the CCAA Plan, the Plan Sanction Order and/or the relevant provisions of the CCAA, or as otherwise determined in the Canadian Proceeding, and each and every creditor or party-in-interest is permanently restricted, enjoined and barred from asserting such rights, except as may have been or may be asserted in the Canadian Proceeding in accordance with the CCAA Plan and the Plan Sanction Order.

3. Without limitation as to the relief in the preceding paragraph, the following provisions of the CCAA Plan and Plan Sanction Order are hereby recognized, granted comity and given full force and effect in the United States and are binding on all Persons and other

entities (as defined in section 101(15) of the Bankruptcy Code) subject to this Court's jurisdiction pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code:[2]

a. Plan Releases. As set forth in Paragraph 98 of the Plan Sanction Order, and consistent with Section 5.1 of the CCAA Plan, it is hereby ordered, adjudged and decreed that any Claim that any Person (regardless of whether or not such Person is a Creditor or Claimant) holds or asserts or may in the future hold or assert against any of the Released Parties or that could give rise to a Claim against the Released Parties whether through a cross-claim, third-party claim, warranty claim, recursory claim, subrogation claim, forced intervention or otherwise, arising out of, in connection with and/or in any way related to the Derailment, the Policies, MMA, and/or MMAC, is hereby permanently and automatically released and the enforcement, prosecution, continuation or commencement thereof is permanently and automatically enjoined and forbidden. Any and all Claims against the Released Parties are permanently and automatically compromised, discharged and extinguished, and all Persons and Claimants, whether or not consensually, shall be deemed to have granted full, final, absolute, unconditional, complete and definitive releases of any and all Claims to the Released Parties.

b. Injunctions. As set forth in Paragraphs 99 and 100 of the Plan Sanction Order, and consistent with Section 5.1 of the CCAA Plan, it is hereby ordered, adjudged and decreed that

(i) all Persons (regardless of whether or not such Persons are Creditors or Claimants) shall be permanently and forever barred, estopped, stayed and enjoined from (i) pursuing any Claim, directly or indirectly, against the Released Parties, (ii) continuing

[2] Capitalized terms in these provisions, unless otherwise defined in this Order, have the meaning ascribed to them in the Plan Sanction Order.

or commencing, directly or indirectly, any action or other proceeding with respect to any Claim against the Released Parties, or with respect to any claim that, with the exception of any claims preserved pursuant to Section 5.3 of the CCAA Plan against any Third Party Defendants that are not also Released Parties, could give rise to a Claim against the Released Parties whether through a cross-claim, third-party claim, warranty claim, recursory claim, subrogation claim, forced intervention or otherwise, (iii) seeking the enforcement, levy, attachment, collection, contribution or recovery of or from any judgment, award, decree, or order against the Released Parties or property of the Released Parties with respect to any Claim, (iv) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or the property of the Released Parties with respect to any Claim, (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Approval Orders to the full extent permitted by applicable law, (vi) asserting any right of setoff, compensation, subrogation, contribution, indemnity, claim or action in warranty or forced intervention, recoupment or avoidance of any kind against any obligations due to the Released Parties with respect to any Claim or asserting any right of assignment of or subrogation against any obligation due by any of the Released Parties with respect to any Claim, and (vii) taking any actions to interfere with the implementation or consummation of the CCAA Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the CCAA Plan; and (ii) notwithstanding the foregoing, the Plan Releases and Injunctions as provided in Section 5.1 of the CCAA Plan and in the Plan Sanction Order (i) shall have no effect on the rights and obligations provided by the "*Entente*

d'assistance financiere decoulant du sinistre survenu dans la Ville de Lac-Mégantic" signed on February 19, 2014 between Canada and the Province, and (ii) shall not extend to and shall not be construed as extending to any Unaffected Claims.

c. Timing of Releases and Injunctions. As set forth in Paragraph 97 of the Plan Sanction Order, and consistent with Section 5.2 of the CCAA Plan, it is hereby ordered, adjudged and decreed that all releases and injunctions set forth in this Order shall become effective on the Plan Implementation Date at the Effective Time.

d. Claims against Third Party Defendants. As set forth in Section 5.3 of the CCAA Plan, notwithstanding anything to the contrary herein or in the CCAA Plan, it is hereby ordered, adjudged and decreed that any Claim of any Person, including MMAC and MMA, against the Third Party Defendants that are not also Released Parties: (a) is unaffected by the CCAA Plan; (b) is not discharged, released, cancelled or barred pursuant to the CCAA Plan; (c) shall be permitted to continue as against said Third Party Defendants; (d) shall not be limited or restricted by the CCAA Plan in any manner as to quantum to the extent that there is no double recovery as a result of the indemnification received by the Creditors or Claimants pursuant to the CCAA Plan; and (e) does not constitute an Affected Claim under the CCAA Plan. For greater certainty, and notwithstanding anything else contained herein (or in the CCAA Plan), in the event that a Claim is asserted by any Person, including MMAC and MMA, against any Third Party Defendants that are not also Released Parties, any and all right(s) of such Third Party Defendants to claim over, claim against or otherwise assert or pursue any rights or any Claim against any of the Released Parties at any time, shall be released and discharged and forever barred pursuant to the terms of the CCAA Plan, the Plan Sanction Order and this Order.

4. Without limiting the foregoing, as of the Plan Implementation Date, all Persons and other entities (as defined in section 101(15) of the Bankruptcy Code) are hereby, and shall be, permanently enjoined from taking any action, within the territorial jurisdiction of the United States, that is inconsistent with the CCAA Plan or the Plan Sanction Order.

5. As for Derailment Claims, if any, held by the United States, nothing in this Order shall release any Person for criminal charges brought by the United States, nor shall anything in this Order enjoin the United States from bringing any claim, suit, action or other proceeding against any such Person for such charges under such criminal laws. Moreover, nothing in this Order shall release any Person from liability to the United States unrelated to the Derailment, nor shall anything in this Order enjoin the United States from bringing any claim, suit, action or other proceeding against any Person for such liability unrelated to the Derailment.

6. Consistent with representations made at the record of the hearing approving this Order, whatever rights Wheeling & Lake Erie Railway Company has in the pending Chapter 11 case of MMA and in any related adversary proceedings are unaffected by this Order.

7. Within seven (7) days of entry of this Order, the Monitor shall cause it to be served on any of the following who have not otherwise constructively received it through participation in the CM/ECF system: (a) the office of the United States Trustee; (b) counsel to MMA Canada; (c) counsel to the Creditors' Committee in the Chapter 11 Case; (d) federal and state taxing authorities in the United States and in Canada having filed a proof of claim; (e) the holders of secured claims against the MMA Canada and MMA having filed a proof of claim, or if applicable, the lawyers representing such holders; (f) counsel to the plaintiffs in the Québec Class Action; (g) counsel to each Released Party; and (h) counsel to the plaintiffs in the PITWD Cases.

8. Such service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

9. Copies of the Plan Sanction Order shall be made available upon request at the offices of Verrill Dana LLP, One Portland Square, P.O. Box 586, Portland, ME 04112-0589,

ATTN: Roger A. Clement, Jr., Esq., Telephone: (207) 774-4000, Email: rclement@verrilldana.com.

10. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order.

Dated: August 26, 2015

/s/ Peter G. Cary

The Honorable Peter G. Cary
Chief Judge of the United States Bankruptcy Court
for the District of Maine