

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

**1511419 ONTARIO INC., FORMERLY KNOWN AS THE
CASH STORE FINANCIAL SERVICES INC.
AND RELATED APPLICANTS**

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

April 7, 2015

**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 DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

**SIXTEENTH 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**") with respect to 1511419 Ontario Inc., formerly known as The Cash Store Financial Services Inc. ("**CSF**"), 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**") 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. The Initial Order was amended and restated on April 15, 2014 (the “**Amended and Restated Initial Order**”) to, among other things, appoint BlueTree 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 Applicants, through the CRO, have brought a motion for an order (the “**Approval and Vesting Order**”), among other things:
 - (a) approving the proposed sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement among the Applicants, as vendors, and CSF Asset Management Ltd. (the “**Purchaser**”), as purchaser, made as of April 2, 2015 (the “**Asset Purchase Agreement**”) to sell certain Purchased Assets (as defined in the Asset Purchase Agreement, the “**Purchased Assets**”) that were not included in prior sale transactions with National Money Mart Company or easyfinancial Services Inc.;
 - (b) upon the filing of the Monitor’s Certificate, vesting in the Purchaser, the Purchased Assets free and clear of any claims and encumbrances, other than certain permitted encumbrances as set out in the Asset Purchase Agreement;
 - (c) assigning to the Purchaser the rights and obligations of the Applicants under the Assigned Contract (as defined in the Asset Purchase Agreement) if consent to assignment is not obtained in advance;
 - (d) providing that the contents of the Confidential Appendix to the Sixteenth Report be sealed, kept confidential and not form part of the public record until further order of this Court; and

- (e) approving the Thirteenth, Fourteenth and Fifteenth Reports of the Monitor dated January 22nd, February 10th and February 26th, 2015, and the Monitor's activities described therein.
4. The purpose of this Sixteenth Report is to provide the Court with:
- (i) information regarding the Transaction, including a description of the key elements of the Asset Purchase Agreement and the Monitor's comments and recommendations in respect of the requested Approval and Vesting Order;
 - (ii) an update regarding the repayment of the 4(c)(i) Amount (defined below); and
 - (iii) information regarding the motion brought by OnX Enterprise Solutions ("**OnX**") seeking to prevent the OnX Agreement from being disclaimed.

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 various parties (the "**Information**").
6. Except as described in this Report:
- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook;

- (b) the Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook; and
 - (c) 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.
7. The Monitor has prepared this Report in connection with the Transaction, the repayment of the Section 4(c)(i) Amount, the disclaimer of the OnX Agreement and any other matters specifically referenced herein. This Report should not be relied on for other purposes (except to the extent a future Monitor's report provides otherwise).
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the previous reports of the Monitor, the Initial Order, and other Orders of the Court issued in the CCAA Proceedings.

CSF ASSET MANAGEMENT TRANSACTION

9. As previously described in the Eleventh and Thirteenth Reports to the Court and the affidavit of William E. Aziz, sworn April 2, 2015 (the "**Aziz Affidavit**"), the Applicants conducted an extensive initial and secondary sales and marketing process which resulted in the successful completion of the sale transactions with Money Mart and easyfinancial. The Money Mart and easyfinancial transactions did not contemplate the acquisition of all of the Applicants' assets. The proposed Transaction contemplates the sale of the Purchased Assets (as defined in the Asset Purchase Agreement) which are residual assets of the Applicants that were not sold pursuant to the Money Mart and easyfinancial transactions.

10. In addition to the initial and secondary sale process, the Applicants’ solicited additional bids in respect of the Purchased Assets prior to the commencement of the CCAA Proceedings and more recently following the closing of the easyfinancial transaction. Despite this broad canvassing of the market, the Applicants were unsuccessful in obtaining any reasonable competing offers for the Purchased Assets in the period prior to the signing of the Asset Purchase Agreement.

ASSET PURCHASE AGREEMENT

11. The Applicants, through the CRO, and with the involvement of the Monitor, entered into negotiations to finalize the Asset Purchase Agreement. On April 2, 2015, the parties finalized and executed the Asset Purchase Agreement.
12. Key terms of the Asset Purchase Agreement are outlined in the Aziz Affidavit and include the terms set out below (with capitalized terms used in this section and not otherwise defined having the meaning ascribed to them in the Asset Purchase Agreement). An unredacted copy of the Asset Purchase Agreement is attached to the Confidential Appendix hereto. The Confidential Appendix contains information, including purchase price information, which is commercially sensitive. The Monitor, therefore, supports the request that the Confidential Appendix be sealed, kept confidential and not form part of the public record pending a further Order of the Court.

Purchased Assets	<p>The Purchased Assets include the Vendor’s right, title and interest in, to and under:</p> <p>(a) the Consumer Loan Receivables – including any and all receivables due to any Vendor in respect of any payday loans, lines of credit or other loans made by such Vendor or purchased or acquired by or assigned to such Vendor, excluding any receivables that are NMM Assets, easy Assets or the property of Trimor Annuity Focus Limited Partnership #5 (“Trimor”);</p>
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	<p>(b) the Books and Records, except to the extent that such Books and Records have been included in the NMM Assets or the easy Assets;</p> <p>(c) the Assigned Contract, referring to the real property lease for the premises at 9004-118 Avenue NW, Edmonton, Alberta and referred to by the Vendor as Title Store branch TTS01;</p> <p>(d) the Prepaid Expenses and Deposits, meaning the unused portion of amounts prepaid by the Vendor relating to the Purchased Assets and including Taxes, assessments, rates and charges, utilities, rents, tenant allowances and deposits but excluding income or other Taxes which are personal to the Vendor;</p> <p>(e) the Tangible Personal Property owned by the Vendor for use at the premises subject to the Assigned Contract; and</p> <p>(f) the Intellectual Property, meaning the name "Title Store" to the extent that the name is not a NMM Asset and for greater certainty excluding the domain name "thetitlestore.ca";</p> <p>which, for greater certainty, shall not include the Excluded Assets.</p>
<p>Excluded Assets</p>	<p>The Excluded Assets include:</p> <p>(a) cash, bank balances and similar cash items, except for such items which are part of Prepaid Expenses and Deposits;</p> <p>(b) marketable shares, notes, bonds, debentures or other securities and certificates of ownership thereof owned or held by or for the account of the Vendor;</p> <p>(c) corporate, financial and taxation records of the Vendor that do not relate exclusively to the Purchased Assets;</p>

	<p>(d) extra-provincial, sales, excise or other licenses or registrations whether relating to the Purchased Assets or otherwise to the extent not transferable;</p> <p>(e) known or unknown ordinary course Claims any Vendor may have against any Person other than a Claim for Consumer Loan Receivables;</p> <p>(f) refunds in respect of reassessments for Taxes relating to the Vendor's business or Purchased Assets paid prior to Closing;</p> <p>(g) refundable taxes;</p> <p>(h) amounts owing from any Affiliate of the Vendor or any director, officer, shareholder or employee of the Vendor or its Affiliates;</p> <p>(i) insurance policies and the right to receive insurance recoveries under such policies;</p> <p>(j) contracts relating to the foregoing;</p> <p>(k) any NMM Assets; and</p> <p>(l) any easy Assets.</p>
Assignment of Contract	<p>The Asset Purchase Agreement defines Assigned Contract as the real property lease for the premises at 9004-118 Avenue NW, Edmonton, Alberta (referred to by the Vendor as Title Store branch TTS01). The assignment is subject to the payment by the Purchaser of any arrears or other cure costs owing in respect of such Assigned Contract.</p>
Deposit	<p>The Deposit amount is approximately 20% of the Purchase Price, which shall be held, pending Closing, by the Monitor.</p> <p>If the Closing does not occur by reason of default of the Purchaser, the full amount of the Deposit plus accrued interest and less any withholding tax shall become the property of and be retained by the Monitor on behalf of the Vendor as liquidated damages and not as penalty. This remedy shall not limit the Vendor's right to exercise any other rights</p>

	<p>which the Vendor may have against the Purchaser in respect of such default.</p> <p>If Closing docs not occur for any other reason, the Deposit shall be returned to the Purchaser.</p>
Purchase Price	<p>The Purchase Price consists of:</p> <ul style="list-style-type: none"> (a) an amount payable in cash; plus (b) an amount in cash equal to the amount of the Prepaid Expenses and Deposits; plus (c) the amount of the Assumed Liabilities; plus (d) the amount of the Deferred Payment, which shall be paid monthly.
Assumed Liabilities	<p>The Purchaser will assume certain liabilities pursuant to the Asset Purchase Agreement, including:</p> <ul style="list-style-type: none"> (a) Accounts Payable relating to the Purchased Assets incurred after the Initial Order in the ordinary course of business; (b) Accrued Liabilities relating to the Purchased Assets incurred after the Initial Order but before Closing Time and which are not yet due and payable as of the Closing Time (excluding reserves and contingent amounts); (c) all liabilities arising in connection with the performance of the Assigned Contract, including any cure costs; (d) all liabilities related to the Purchaser's employment, offer of employment or

	<p>termination of employment of any Transferred Employees incurred from the period of time following the Closing Time;</p> <p>(e) all liabilities relating to any refunds owing in respect of the Consumer Loan Receivables collected by the Purchaser due to any Order or other direction from any Governmental Authority issued after the date hereof; and</p> <p>(f) all liabilities for any Tax that the Purchaser is required to bear pursuant to Section 9.7 of the Asset Purchase Agreement.</p>
Employees	<p>The Purchaser will assume all liabilities arising related to the employment, offer of employment or termination of employment of any Transferred Employees. Transferred Employees are those Employees who accept any offer of employment made by the Purchaser.</p>
Closing Conditions	<p>Key conditions to Closing include:</p> <p>(a) obtaining an Approval and Vesting Order;</p> <p>(b) there shall be no Order issued preventing, and no pending or threatened Claim or judicial or administrative proceeding, or investigation against any party by any Governmental Authority known to the Parties, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement; and</p> <p>(c) all required consents to assignment of the Assigned Contract shall have been received, or in the absence of any such consent, a</p>

	Transaction Order transferring such Assigned Contract to the Purchaser shall have been entered.
Closing Date	The Closing Date is the date on which the Monitor's Certificate is delivered to the Purchaser.
Conduct Prior to Closing	<p>During the period from the date of the Asset Purchase Agreement to the Closing Time, the Vendor shall not disclaim, reject or enter into any material amendments to the Assigned Contract without the prior written consent of the Purchaser.</p> <p>From April 1, 2015 until Closing Time, the Purchaser shall commence collection activities in respect of the Consumer Loan Receivables at its own expense (including for greater certainty the rent payable in respect of the Assigned Contract) and all funds collected in respect of such Consumer Loan Receivables shall be deposited into an account designated by the Monitor. These Pre-Closing Collections shall be held by the Monitor until the earlier of the Closing Time or the date of the termination of this Agreement in trust. If the Closing shall occur, the full amount of the Pre-Closing Collections shall be paid to the Purchaser on Closing. If the Closing does not occur for any reason other than by reason of the default of the Purchaser, the amount of the Purchaser's reasonable expenses in respect of the Pre-Closing Collections shall be deducted from the Pre-Closing Collections and paid to the Purchaser and the remainder of the Pre-Closing Collections shall be paid to the Vendor. If the Closing does not occur by reason of the Purchaser's default, the full amount of the Pre-Closing Collections shall be paid to the vendor as liquidated damages and not as a penalty.</p>

MONITOR'S COMMENTS AND RECOMMENDATIONS

Assignment of Contract

13. As noted above, the Asset Purchase Agreement provides for the assignment of the Assigned Contract. Section 2.5 of the Asset Purchase Agreement provides that if the Vendor is unable to obtain any consent necessary for the assignment of the Assigned Contract, it shall seek an Order assigning the Assigned Contract to the Purchaser. Section 2.4 provides that, except for the Assumed Liabilities, the Purchaser shall not assume and shall not be responsible for any of the liabilities of the Vendor. The Assumed Liabilities includes all liabilities arising in connection with the performance of the Assigned Contract, including any cure costs.
14. With respect to the contract assignment, section 11.3(1) of the CCAA requires that an application for an assignment of an agreement be on notice to every party and subject to the agreement and the Monitor. In this case, the Monitor has been advised that the parties have sought and obtained the consent of the counterparty to the Assigned Contract and have also provided the counterparty with notice of the motion seeking to assign the Assigned Contract in the event that consent is not obtained prior to the motion date.
15. The Monitor understands that the Purchaser will be able to perform the obligations under the Assigned Contract pursuant to Section 11.3 of the CCAA and that it is appropriate to assign the rights and obligations of the relevant Applicant under the Assigned Contract to the Purchaser. The Purchaser has represented and warranted that it has sufficient cash on hand and/or availability under existing credit facilities to satisfy the cash requirements of the proposed Transaction, including the assignment of the Assigned Contract.

16. As it relates to section 11.3(4) of the CCAA, the draft Approval and Vesting Order requires that, as a condition of Closing, all existing monetary defaults in relation to the Assigned Contract, other than those arising by reason of the Applicants' insolvency, the commencement of proceedings under the CCAA, or the Applicants' failure to perform a non-monetary obligation, shall be paid. The Monitor's certificate attached thereto specifically requires the Monitor to certify that the Purchaser has confirmed such amounts have been paid.
17. Accordingly, the Monitor approves of the proposed assignment of the Assigned Contract and believes that the Purchaser will be able to perform the obligations under the Assigned Contract such that it is appropriate to assign the rights and obligations thereunder to the Purchaser. The Monitor views the assignment as preferable in the circumstances to the likely alternatives in light of the fact that the Assigned Contract was not included in the Money Mart or easyfinancial transactions and no additional offers were made for the Purchased Assets during the marketing process.

Sale Approval

18. The Monitor has considered the sales and marketing processes leading up to the proposed Transaction and the consideration to be received for the Purchased Assets in light of, among other things, the requirements of section 36 of the CCAA.

19. The Monitor is satisfied with and approves of the marketing efforts undertaken leading up to the proposed Transaction, described more fully in the Aziz Affidavit and in previous reports of the Monitor. These efforts have included attempts to sell the Purchased Assets prior to the commencement of the CCAA Proceedings, in the initial Sale Process, and in the period following the successful completion of the Money Mart and easyfinancial transactions. The Monitor further notes that the proposed Transaction involves the sale of assets that were excluded from the easyfinancial and Money Mart transactions and results in additional value to the estate beyond that generated in the initial Sale Process and Secondary Sale Process. The Monitor believes that these efforts have been reasonable in the circumstances and included a wide canvassing of the market.
20. The Purchase Price for the Purchased Assets was the only value offered after surveying the market. The Monitor views the Purchase Price to be fair and reasonable. In the view of the Monitor, the proposed Transaction would be more beneficial to the Applicants' stakeholders than a sale or disposition under bankruptcy. Selling the Purchased Assets to the Purchaser appears to be the best and perhaps the only way to obtain value for the Purchased Assets at this time.
21. The Monitor is advised that the Purchaser is not related to the Applicants within the meaning of the CCAA and that the counterparty to the Assigned Contract has been served with notice of the motion. The Monitor has, however, been advised that the Purchaser is directed by a former employee of the Applicants and is funded by a person related to another employee of the Applicants. The Monitor is satisfied that, although the Purchaser is not related to the Applicants within the meaning of Section 36(5) the CCAA, good faith efforts have been made to sell the assets to persons who have no relation whatsoever to the Applicants and the consideration to be received is the only reasonable offer made in accordance with the process leading to the selection of the proposed Transaction.

22. The Monitor is of the view that the Applicants have acted in good faith to maximize value for its stakeholders and that the proposed Transaction is the best alternative available in the circumstances, taking into account such factors as the value to stakeholders, the exclusion of the Purchased Assets from the Money Mart and easyfinancial transactions, and the timeframe within which the Transaction is expected to close.
23. Accordingly, the Monitor recommends approval of the Transaction by this Court.

ADDITIONAL TPL PROTECTION ORDER SECTION 4(c)(i) FUNDS

24. On April 30, 2014, Regional Senior Justice Morawetz granted an order (the “**TPL Protection Order**”) providing additional protections for third party lenders (“**TPLs**”), including Trimor. The TPL Protection Order was issued to permit the Applicants to continue to conduct business consistent with their past practices while seeking to resolve certain disputes with the TPLs. Ultimately, the TPL dispute resulted in litigation.
25. On August 5, 2014, Regional Senior Justice Morawetz issued an order (the “**TPL Order**”) declaring, among other things, that various amounts being held by the Applicants that were the subject of the TPL Protection Order and the dispute with the TPLs (the “**Disputed TPL Amounts**”) form part of the property of the Applicants, do not have to be held separate and apart, and may be used by the Applicants for general operating purposes and any other purpose whatsoever, subject to the terms of the Initial Order and the terms of the DIP Facility and the DIP Term Sheet. The TPL Order also provided that nothing in that order affected the declaration made in section 4(c)(i) of the TPL Protection Order, which shall remain in full force and effect, subject to further Order of the Court. Section 4(c)(i) of the TPL Protection Order is described below.
26. On November 25, 2014 the Ontario Court of Appeal released its decision to dismiss Trimor’s and 0678786 B.C. Ltd.’s appeal of the TPL Order.

27. Section 4(c)(i) of the TPL Protection Order provided that the Applicants were only entitled to use “Post-Filing Trimor non-Ontario Receipts” (as defined in the TPL Protection Order) for the purpose of brokering new TPL Brokered Loans in the name of Trimor, provided that “with effect upon any such new TPL Brokered Loan being made, it is hereby declared that Trimor shall be the owner of such new TPL Brokered Loan and all proceeds therefrom and such TPL Brokered Loan and all proceeds therefrom shall not form part of the Property and shall not be subject to the Charge.” TPL Brokered Loans declared to be made in the name of Trimor will be referred to herein as the “**Trimor Loans**”.
28. Because the TPL Order provided that none of its terms affected the declaration made in section 4(c)(i) of the TPL Protection Order, the Disputed TPL Amounts addressed in the TPL Order did not include the Trimor Loans, namely the loans made after April 30, 2014 that were declared to be loans made in the name of Trimor pursuant to section 4(c)(i) of the TPL Protection Order, and proceeds therefrom (such proceeds the “**4(c)(i) Amounts**”).
29. Trimor Loans were made in two forms: (i) payday loans, and (ii) advances under lines of credit.
 - (i) Payday Loans
30. As of February 26, 2015, the Applicants had collected \$1,034,022 from Trimor Loans that were in the form of payday loans made after April 30, 2014.

(ii) Line of Credit Advances

31. It is more difficult to determine the 4(c)(i) Amount in respect of the Trimor Loans that were in the form of line of credit advances. As reported in the Tenth and Twelfth Reports of the Monitor, line of credit loan collections are not specifically linked to any specific draws on the line of credit. As such there is no clear delineation of which collections are in relation to amounts advanced after April 30, 2014 and which collections are in relation to amounts advanced before April 30, 2014. Under a weighted average approach, whereby collections are attributed to pre- and post-April 30, 2014 advances on a weighted average basis, the total 4(c)(i) Amount associated with line of credit collections up to February 26, 2015 is \$922,145. If collections are attributed to the oldest accounts receivable first, under a first-in, first-out approach, the total 4(c)(i) Amount for line of credit collections up to February 26, 2015 is \$899,651. Finally, if collections are attributed to the most recent accounts receivable first, under a last-in, first-out approach, the total 4(c)(i) Amount for line of credit collections up to February 26, 2015 is \$984,866.

Summary

32. The chart below shows the total 4(c)(i) Amount calculated using each approach:

Method	Payday loan collections	Line of credit collections	Total
Weighted Average	\$1,034,022	\$922,145	\$1,956,167
First-in, First-out	\$1,034,022	\$899,651	\$1,933,673
Last-in, First-out	\$1,034,022	\$984,866	\$2,018,888

33. The Monitor believes that the weighted average method provides the most reasonable, balanced and fair approach to estimating the 4(c)(i) Amount for line of credit collections. The Monitor has discussed the three possible calculation methods described above with counsel to the Ad Hoc Committee of Cash Store Noteholders and counsel to Trimor. The Ad Hoc Committee of Cash Store Noteholders and Trimor indicated that they do not intend to oppose or dispute the use of the weighted average to calculate the total 4(c)(i) Amount for line of credit collections.
34. Accordingly, the Monitor has distributed the total 4(c)(i) Amount of \$1,956,167, with the portion attributable to line of credit collections calculated using the weighted average method, to McMillan LLP (Trimor's legal counsel) in trust for Trimor.
35. The Monitor will continue to track any additional Trimor Loan collections made subsequent to February 26, 2015 using the weighted average methodology described in this Report and will pay any additional 4(c)(i) Amounts received to Trimor when appropriate. The Monitor does not expect the 4(c)(i) Amounts collected subsequent to February 26, 2015 to exceed \$50,000.

DISCLAIMER OF ONX AGREEMENT

36. On March 13, 2015 the Monitor approved the Notice of Intention to Disclaimer and Resiliate an Agreement (the "**Notice**") that CSF prepared and sent to OnX pursuant to Section 32(1) of the CCAA and Section 11(a) of the Initial Order. Under the Notice, the Master Agreement dated May 25, 2009 between CSF and OnX, as amended, restated, modified or supplemented from time to time, (the "**OnX Agreement**") was to be disclaimed on April 12, 2015. On March 30, 2015 OnX brought a motion for an order that, among other things, the OnX Agreement between OnX and CSF not be disclaimed or resiliated.

37. The Monitor believes that the criteria to disclaim the OnX Agreement, as set out in Section 32 of the CCAA, were established at the time the Notice was delivered by CSF and that these considerations continue to support the disclaimer of the OnX Agreement:
- (i) OnX and CSF were parties to the agreement on the day on which proceedings were commenced under the CCAA and OnX received appropriate notice of the proposed disclaimer;
 - (ii) the Monitor approves of the disclaimer;
 - (iii) the OnX Agreement is not an eligible financial contract, a collective agreement, a financing agreement where the company is the borrower, or a lease of real property where CSF is the lessor;
 - (iv) the disclaimer would enhance the prospects of a viable compromise or agreement being made in respect of the Applicants. The Applicants have disclaimed several agreements throughout the CCAA Proceedings with the intention of enhancing recoveries for its significant stakeholders. Reducing or eliminating unnecessary costs will allow the Applicants to continue its progress towards a successful restructuring; and
 - (v) the disclaimer may cause some financial discomfort to OnX, however failing to allow the disclaimer will have a significant negative effect on the Applicants since the Applicants no longer have any use for the services provided under the agreement and has no incoming cash flow.
38. The Monitor also notes that OnX was advised and had acknowledged in advance that the OnX Agreement would be disclaimed. Certain copies of email communications between OnX, the Applicants and the Monitor have been attached to the Responding Motion record of the Applicants, dated April 2, 2015.
39. Before deciding to approve the disclaimer, the Monitor considered the interests of the Applicants' stakeholders, including OnX.

40. The Monitor is of the view that the Applicants have acted in good faith to maximize value for its stakeholders and that the proposed disclaimer will enhance the Applicants' prospects of achieving a viable compromise or arrangement. Despite any financial hardship which may be suffered by OnX (if any), the ability of Cash Store to successfully restructure would be significantly impacted if the disclaimer is not approved.
41. Accordingly, the Monitor recommends that the OnX disclaimer be approved by this Court.
42. The Monitor respectfully submits to the Court this Sixteenth Report.

Dated this 7th day of April, 2015.

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



Greg Watson
Senior Managing Director