

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

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

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

May 11, 2016

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 DOING BUSINESS AS "THE TITLE STORE"

APPLICANTS

**TWENTY-SECOND REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR**

INTRODUCTION AND BACKGROUND

1. On April 14, 2014, Regional Senior Justice Morawetz granted an Initial Order (as amended and restated, 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., 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 (as extended from time to time, the "**Stay**"), appointing Blue Tree Advisors Inc. as Chief Restructuring Officer of the

Applicants (the “**CRO**”) and appointing FTI Consulting Canada Inc. (the “**Monitor**”) as CCAA monitor.

2. The Stay currently extends up to and including May 20, 2016.
3. Pursuant to the Order of this Court granted by Regional Senior Justice Morawetz on September 30, 2015 (the “**Meetings Order**”), meetings of affected creditors were held on November 10, 2015 to vote on the Plan of Compromise or Arrangement concerning, affecting and involving the Applicants (the “**Plan**”). As reported by the Monitor in its Twenty-First Report dated November 16, 2016, the Plan was voted on and approved by the required majority of Affected Creditors pursuant to the terms of the Meeting Order, the Plan and the CCAA.
4. On November 19, 2015 the Court granted an Order (the “**Sanction Order**”), among other things, sanctioning the Plan, authorizing the Applicants and the Monitor to implement the Plan and extending the Stay Period until and including May 20, 2016.
5. Pursuant to the terms of the Plan and the Sanction Order, the CRO was discharged as of the Plan Implementation Date (as defined therein) and the Monitor was granted certain enhanced powers and authorization to, among other things, facilitate the completion and administration of the estates of the Applicants in the CCAA Proceeding and apply to the Court for any orders necessary or advisable to carry out its powers and obligations under any other Order granted by this Court.
6. The Monitor’s Post-Implementation Reserve (as defined in the Plan) was established pursuant to the terms of the Plan to ensure that sufficient funds are available to the Monitor to pay the costs and expenses of the Applicants and administer the Applicants and the Plan from and after the Plan Implementation Date.
7. The Monitor brings this motion to extend the Stay Period up to and including November 18, 2016.

Purpose of Report

8. The purpose of this Report is to provide the Court with:
- (i) information regarding the requested extension of the Stay period; and
 - (ii) an updated cashflow forecast.

TERMS OF REFERENCE

9. 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**").
10. Except as described in this Report:
- (i) 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;
 - (ii) 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
 - (iii) 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.

11. The Monitor has prepared this Report in connection with the Monitor's request for an extension of the Stay. This Report should not be relied on for other purposes (except to the extent a future Monitor's report provides otherwise).
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined previous reports of the Monitor, the Plan and Orders of the Court issued in the CCAA Proceedings.

STAY EXTENSION

13. The Monitor has requested that the Stay be extended to November 18, 2016.
14. The Applicants, under the supervision of the Monitor, have been working with due diligence and in good faith throughout these CCAA proceedings. Since the Stay was last extended, the Applicants have, with the assistance of the Monitor:
 - (i) implemented the Plan and each of the transactions contemplated therein (including certain post-implementation transactions), in accordance with the terms of the Plan and the Sanction Order;
 - (ii) discharged the Applicants' CRO and DIP financing facility;
 - (iii) taken steps to pursue outstanding tax refunds from the Canada Revenue Agency for the benefit of the Applicants' creditors;
 - (iv) collected and distributed the remaining receivables resulting from the CSF Asset Management Ltd. transaction, sanctioned by the Court on April 10, 2015;
 - (v) collected and distributed the Final DirectCash Settlement Payment (as defined in the Plan) in accordance with the terms of the Plan; and

- (vi) continued to sell, dispose of or otherwise realize upon the remaining assets of the estate.
15. The proposed extension of the Stay would, among other things, enable the Applicants and the Monitor to continue their efforts to deal with the Applicants' remaining assets and pursue tax returns from the CRA for the benefit of the Applicants' creditors. Extending the Stay until November 18, 2016 would also extend CCAA protection while the Remaining Estate Actions are pursued by Litigation Counsel and the Litigation Trustee (each as defined in the Plan). Pursuant to the terms of the Plan and the Sanction Order, the Monitor will remain responsible for administering the Plan and distributing any Subsequent Cash on Hand (as defined in the Plan) obtained in the period following the Plan Implementation Date.

Cashflow Forecast

16. The Cashflow Forecast attached hereto as Schedule "A" demonstrates that the Applicants are projected to have sufficient liquidity to fund their activities until at least November 18, 2016.
17. The Monitor's Post-Implementation Reserve was established pursuant to the terms of the Plan to ensure that sufficient funds are available to the Monitor to pay the costs and expenses of the Applicants and administer the Applicants and the Plan from and after the Plan Implementation Date.
18. The Remaining Estate Actions are funded through a separate Litigation Funding and Indemnity Reserve (as defined in the Plan) which was established by the Applicants on the Plan Implementation Date and is maintained and administered by the Monitor.

19. Any Subsequent Cash on Hand received by the Applicants will be distributed by the Monitor in accordance with the terms of the Plan and the Sanction Order. With the consent of the Ad Hoc Committee, the Monitor is 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.
20. During the forecast period, the estimated total receipts are approximately \$50,000, the estimated total operating disbursements are approximately \$154,000 and the estimated total non-operating disbursements are approximately \$160,000. The Monitor does not contemplate having to request the use of any Subsequent Cash on Hand to supplement the Monitor's Post-Implementation Reserve during the forecast period.
21. The Monitor believes that the length of the requested extension is reasonable and appropriate in the circumstances.
22. Accordingly, the Monitor recommends that this Court grant the Stay extension to November 18, 2016 as requested.
23. The Monitor respectfully submits to the Court this Twenty-Second Report.

Dated this 11th day of May, 2016.

FTI Consulting Canada Inc.
The Monitor of 1511419 Ontario Inc.,
formerly known as The Cash Store Financial Services Inc. and Related Applicants



Greg Watson
Senior Managing Director

SCHEDULE "A"
CASHFLOW FORECAST

1511419 Ontario Inc., formerly Cash Store Financial Services Inc.
Consolidated Weekly Cash Forecast
(\$ CAD 000's)

Week Ended	5/20/2016	5/27/2016	6/3/2016	6/10/2016	6/17/2016	6/24/2016	7/1/2016	7/8/2016	7/15/2016	7/22/2016	7/29/2016	8/5/2016	8/12/2016	8/19/2016
RECEIPTS:														
Non-Operating Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING DISBURSEMENTS:														
Contractors (Former Employees)	1	1	1	1	1	1	4	1	1	1	1	1	1	1
Operating Expenses	12	12	2	5	-	1	62	-	13	-	1	5	-	-
TOTAL OPERATING DISBURSEMENTS	13	13	3	6	1	2	66	1	14	1	2	7	1	1
OPERATING CASH FLOW	(13)	(13)	(3)	(6)	(1)	(2)	(66)	(1)	(14)	(1)	(2)	(7)	(1)	(1)
NON-OPERATING DISBURSEMENTS:														
Professional Fees	30	5	5	5	5	5	5	5	5	5	5	5	5	5
TOTAL NON-OPERATING DISBURSEMENTS	30	5	5	5	5	5	5	5	5	5	5	5	5	5
BoP Cash	343	299	281	273	262	256	249	179	172	154	147	141	129	123
Total Cash Flow	(43)	(18)	(8)	(11)	(6)	(6)	(71)	(6)	(19)	(6)	(7)	(12)	(6)	(6)
EoP Cash	299	281	273	262	256	249	179	172	154	147	141	129	123	117

Notes:

- [1] The purpose of this cash flow forecast is to determine the liquidity requirements of the Applicants during the forecast period.
- [2] Non-operating receipts represents estimated proceeds generated from sale of remaining non-core assets.
- [3] Forecast disbursements from operations are forecast based on existing accounts payable and known operating expenses.
- [4] Post-petition non operating expenses include professional fees associated with the administration of the Applicants and the Plan.
- [5] Forecast professional fee disbursements are based on advisor level estimates of fees that may be incurred during the forecast period.
- [6] The company has submitted a claim for a tax refund. CRA is auditing the claim and verification of any payment has not been made by CRA to date.
- [7] Remaining Estate Actions are funded through a separate Litigation Funding and Indemnity Reserve account.
- [8] Opening cash represents balances held in Monitor's Post Implementation Reserve and the Cash Store company operating account.

1511419 Ontario Inc., formerly Cash Store Financial Services Inc.
 Consolidated Weekly Cash Forecast
 (\$ CAD 000's)

Week Ended	8/26/2016	9/2/2016	9/9/2016	9/16/2016	9/23/2016	9/30/2016	10/7/2016	10/14/2016	10/21/2016	10/28/2016	11/4/2016	11/11/2016	11/18/2016	Total
RECEIPTS:														
Non-Operating Receipts	50	-	-	-	-	-	-	-	-	-	-	-	-	50
TOTAL RECEIPTS	50	-	-	-	-	-	-	-	-	-	-	-	-	50
OPERATING DISBURSEMENTS:														
Contractors (Former Employees)	1	1	1	1	1	1	1	1	1	1	1	1	1	36
Operating Expenses	1	2	-	-	-	-	2	-	-	-	2	-	-	117
TOTAL OPERATING DISBURSEMENTS	2	3	1	1	1	1	3	1	1	1	3	1	1	154
OPERATING CASH FLOW	48	(3)	(1)	(1)	(1)	(1)	(3)	(1)	(1)	(1)	(3)	(1)	(1)	(104)
NON-OPERATING DISBURSEMENTS:														
Professional Fees	5	5	5	5	5	5	5	5	5	5	5	5	5	160
TOTAL NON-OPERATING DISBURSEMENTS	5	5	5	5	5	5	5	5	5	5	5	5	5	160
BoP Cash	117	160	152	146	139	133	127	119	113	106	100	92	86	343
Total Cash Flow	43	(8)	(6)	(6)	(6)	(6)	(8)	(6)	(6)	(6)	(8)	(6)	(6)	(263)
EoP Cash	160	152	146	139	133	127	119	113	106	100	92	86	80	\$ 80