

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

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE REGIONAL) THURSDAY , THE 14TH DAY
SENIOR JUSTICE MORAWETZ) OF APRIL, 2016

**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

BETWEEN :

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
(Plan of Allocation)

THIS MOTION, made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiff in the above-captioned Ontario class proceeding, ("**Securities Plaintiffs**") in their own and proposed representative capacities, for an order approving the proposed plan for allocating and distributing the net proceeds of the D&O/Insurer Securities Class Action Settlement Amount ("**Plan of Allocation**") was heard on April 14, 2016, 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 which, among other things, resolves the claims asserted by the Securities Class Action Plaintiffs against the Securities Class Action Defendants in the Securities Class Actions in exchange for the D&O/Insurer Securities Class Action Settlement Amount ("**Securities Settlement**");

AND WHEREAS the Supervising Judge in the above-captioned *Companies' Creditors Arrangement Act* ("**CCAA**") proceeding, the Honourable Regional Senior Justice Morawetz, has been assigned to hear the motions for settlement approval and other ancillary matters pursuant to both the CCAA and the *Class Proceedings Act, 1992*;

AND WHEREAS this Court issued an order dated September 30, 2015: (i) appointing RicePoint Administration, Inc. as the claims administrator for the purpose of holding and distributing the proceeds of the D&O/Insurer Securities Class Action Settlement Amount; and (ii) approving the form and plan of distribution of notice to Securities Class Action Class Members and others of the hearing to approve the D&O/Insurer Global Settlement Agreement, the Plan of Allocation, and the class counsel fee request ("**Notice Order**");

AND WHEREAS this Court issued an order dated November 19, 2015 approving: (i) the Plan of Compromise and Arrangement of the Applicant under the CCAA dated November 19, 2015; ("**CCAA Plan**"); and (ii) the Securities Settlement;

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

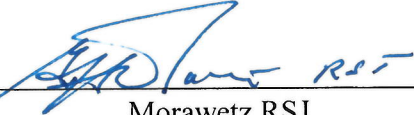
Service and Notice

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 capitalized terms not otherwise defined in this order shall have the meaning attributed to those terms in the CCAA Plan.
3. **THIS COURT FINDS** that all applicable parties have adhered to and acted in accordance with the Notice Order and that the procedures provided in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all persons shall be and are hereby forever barred from objecting to the Plan of Allocation;

Plan of Allocation

4. **THIS COURT ORDERS** that the Plan of Allocation, attached hereto as **Schedule "A"** is hereby approved.

Date:



Morawetz RSJ

SCHEDULE "A"

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.;
 - ii. any other third party lender of the Applicants (as defined under the definition of "Applicants" in the Plan) pursuant to a broker agreement or agreement analogous to a broker agreement;
 - iii. all trusts in which any of the persons referenced in (i) or (ii) above is a trustee or beneficiary; and
 - iv. all entities over which any of the persons or entities referenced in (i) through (iii) above had legal or de facto control during the Class Period.
- z. **TPL Claimant** means the owners, directors, officers, partners, successors and assigns of anyone referenced in subparagraphs (i) or (ii) of the definition of **Third Party Lender**.

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 29-30 has expired; and (iii) all administrative reviews under paragraphs 31-32 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 16-22:

- 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 Adjustment for TPL Claimants and Additional Rules in the following sections.

Adjustment for TPL Claimants

15. Notwithstanding anything to the contrary in this Plan of Allocation:

- a. the Recognized Loss per Share for Share Claims submitted by a TPL Claimant shall be calculated with reference to the following share inflation levels:

TABLE C – SHARE INFLATION for TPL CLAIMANTS	
Purchase/Acquisition or Sale Date Range	Artificial Inflation Per Share
November 24, 2010 – August 31, 2011	CAD\$0.125
September 1, 2011 – January 23, 2012	CAD\$0.265
January 24, 2012 – December 9, 2012	CAD\$1.175
December 10, 2012 – September 19, 2013	CAD\$0.265
September 20, 2013 – February 13, 2014	CAD\$0.14
After February 13, 2014	CAD\$0.00

- b. the Recognized Loss per face amount of Notes for Note Claims submitted by a TPL Claimant shall be adjusted as follows:

Sale Date Range	Adjustment
On or before September 19, 2013	None

September 20, 2013 – February 13, 2014	Multiply by 0.76
After February 13, 2014	Multiply by 0.82

Additional Rules

16. 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 23-24.
17. 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).
18. 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.
19. 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.
20. 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.

21. 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.
22. 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 23-24.

Remaining Amounts

23. 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.
24. 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. The *Regulation respecting the percentage withheld by the Fonds d'aide aux recours collectifs* will apply to the portion of any remaining balance attributable to Quebec Class Members.

Completion of Claim Form

25. 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

26. 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.

27. 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.

28. 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.

29. 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.

30. 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.
31. 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.
32. 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.
33. 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.
34. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.

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
(Plan of Allocation)**

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