

# NOTICE OF THE APPROVAL HEARING ON FEBRUARY 22, 2010 TO CONSIDER THE PROPOSED SETTLEMENT OF THE ONTARIO MONEY MART CLASS ACTION

Read this notice carefully as it may affect your rights.

This notice was approved by the Ontario Superior Court of Justice

**This notice is to inform class members and proposed class members of their rights under the proposed settlement.**

This notice is directed to all persons who received a fast cash advance or payday loan from a Money Mart store in Ontario between August 19, 1997 and December 31, 2009 which was repaid by a first party personal cheque delivered on the day the loan was obtained provided such cheque was honoured by the bank ("Eligible Fast Cash Advance Transaction").

**A settlement has been reached in this class action, subject to court approval. The settlement is a compromise of disputed claims. The defendants do not admit any wrongdoing or liability.**

The class action seeks to require Money Mart and its parent company, Dollar Financial Group, Inc., to pay damages equal to the charges on Eligible Fast Cash Advance Transactions on the theory that such charges breached s. 347 of the *Criminal Code of Canada*. Money Mart and Dollar Financial deny that they owe damages. By counterclaim Money Mart seeks judgment against each customer who owes it money with respect to any transaction.

On January 5, 2007, the court certified this action as a class action for those customers who entered into Eligible Fast Cash Advance Transactions in the period August 19, 1997 to September 9, 2007. As a result of the proposed settlement, the court will be asked to include customers who entered into their first Eligible Fast Cash Advance Transaction in the period September 10, 2007 to December 31, 2009 (collectively "settlement class").

## SUMMARY OF SETTLEMENT TERMS

If the settlement is approved by the court, Money Mart will provide settlement benefits of approximately \$100 million comprised of the following elements.

The settlement class will be divided into two groups: (a) the debt forgiveness group and (b) the transaction credit group.

Members of the debt forgiveness group (as described below) will have their debts to Money Mart (as described below and currently estimated to be in the range of \$40 million) forgiven.

Members of the transaction credit group (who do not include members of the debt forgiveness group) will share transaction credits (as described below) totalling \$30 million. Members of the transaction credit group may also receive a share of an amount equal to 90% of \$27.5 million less class counsel's fees (currently claimed at \$27.5 million but subject to court approval).

The Class Proceedings Fund will receive \$3 million plus an amount equal to 10% of \$27.5 million less class counsel's fees (currently claimed at \$27.5 million but subject to court approval).

Money Mart will also pay certain expenses related to the administration of the settlement.

## DEBT FORGIVENESS AND CREDIT REHABILITATION

Money Mart will forgive 100% of all debts the debt forgiveness group members owe to it which were incurred on or before April 30, 2009 that are still outstanding on December 31, 2009, currently estimated to be in the range of \$40 million. Thereafter those debt forgiveness group members can use all of the products and services available at Money Mart stores, subject to normal qualification criteria. Debt forgiveness group members will not receive transaction credits or cash credits.

## TRANSACTION CREDITS

Each transaction credit group member will be allocated the greater of \$25 in transaction credits or his or her pro-rata share of \$30 million in transaction credits calculated on the total of that person's cheque cashing fees on Eligible Fast Cash Advance Transactions to the total cheque cashing fees paid by all transaction credit group members for all their Eligible Fast Cash Advance Transactions.

Fully transferable transaction credits will be issued in \$5 increments and will expire 4 years after the date that the settlement becomes final. They will be usable in all Money Mart locations across Canada, except stores located in the province of Quebec, for all Money Mart transactions except wire transfers, foreign exchange and money orders. A single \$5 transaction credit may be used per transaction, except for income tax preparation services in which case five \$5 transaction credits (\$25) may be used.

After the expiration date any unused transaction credits will be applied for the benefit of Money Mart customers as a credit against Money Mart's usual and ordinary rate for a payday loan, in an amount and manner to be determined by the court, until the remaining credits are all used up.

## CASH/CASH CREDITS

The sum of \$27.5 million in cash will be paid in instalments on and before July 15, 2011, with interest.

Class counsel fees are a first charge against the cash payment. Class counsel will ask the court to approve their fee agreement with the plaintiffs and award \$27.5 million in cash in full payment of the plaintiffs' obligations to class counsel.

If cash remains after the payment of class counsel fees and the Class Proceedings Fund award (as described below), each transaction credit group member will be allocated a pro rata share of the remaining cash as a cash credit calculated on the total of that person's cheque cashing fees on Eligible Fast Cash Advance Transactions to the total cheque cashing fees paid by all transaction credit group members for all their Eligible Fast Cash Advance Transactions, provided his or her pro rata share as calculated is equal to or exceeds \$10. If his or her pro rata share is less than \$10, no cash payment will be made. **Any cash credits allocated to transaction credit group members will be paid on or after July 15, 2011.**

Money Mart will pay any unpaid and/or unallocated cash credits and all accrued interest to The Law Foundation of Ontario to fund grants in support of access to justice in Ontario.

## CLASS PROCEEDINGS FUND

The plaintiffs received financial support for the action from the Class Proceedings Fund. As a result, if the settlement is approved, Money Mart will pay the Class Proceedings Fund \$3 million plus 10% of any cash which is remaining after payment of class counsel fees.

## ADMINISTRATION EXPENSES

Money Mart will pay the costs of administration, including notice, distribution of settlement benefits, independent auditing and reporting to the court.

## THE APPROVAL HEARING TO CONSIDER APPROVING THE PROPOSED SETTLEMENT

The court will decide whether to approve the proposed settlement and will fix the fees, disbursements and taxes to be paid to class counsel at an Approval Hearing to be held on **February 22, 2010 at 10:00 a.m.** at the court house at 361 University Avenue, Toronto, Ontario.

## OBJECTIONS

Any class member or potential class member who objects to the proposed settlement may attend the Approval Hearing in person or send a representative. **Class members and potential class members who do not oppose the proposed settlement need not appear at the Approval Hearing or take any other action at this time to indicate their desire to participate in the proposed settlement.**

The court will consider all objections to the proposed settlement by class members or potential class members. Objections shall be made in writing and be sent by prepaid mail or courier, by February 15, 2010, to: McCarthy Tétrault LLP, Attention: John P. Brown, P.O. Box 48, Suite 5300 Toronto Dominion Bank Tower, Toronto, Ontario, Canada, M5K 1E6; or by email to [jbrown@mccarthy.ca](mailto:jbrown@mccarthy.ca).

Written objections shall include the following information:

- (a) the person's name, address, telephone number, date of birth and mailing address;
- (b) a brief statement of the objection and the reasons for the objection; and
- (c) whether the person or a representative intends to appear at the court hearing in person or by counsel, and if by counsel, the name, address, telephone number, fax number and e-mail address of counsel.

## ADDITIONAL INFORMATION

Additional settlement information is available at the website [www.moneymartclassaction.com](http://www.moneymartclassaction.com); or by communicating with one of the class counsel firms acting for the settlement class members: Sutts, Strosberg LLP, Lawyers, 251 Goyeau Street, Suite 600, Windsor, ON N9A 6V4, tel: 866.396.3229, fax: 866.316.5308 or e-mail: [moneymartclassaction@strosbergco.com](mailto:moneymartclassaction@strosbergco.com). Class members and potential class members who consider it desirable or necessary to seek the advice and guidance of their own lawyers, do so at their own expense.

## INTERPRETATION

This notice is a summary of some of the terms of the proposed settlement. If there is a conflict between the provisions of this notice and the terms of the settlement, the terms of the settlement prevail. You may review the terms of settlement at [www.moneymartclassaction.com](http://www.moneymartclassaction.com). Any questions about the matters in this notice should not be directed to the court as its administrative structure is not designed to address this type of inquiry.