

## PRESS RELEASE

MAY 11, 2006 (Hamilton, Ontario)

### **COURT CERTIFIES CLASS ACTION LAWSUIT AGAINST CASH STORE OVER PAYDAY LOANS**

The Superior Court of Justice has certified a class action lawsuit against The Cash Store Inc., which alleges that broker fees charged in respect of payday loans are illegal pursuant to the *Criminal Code of Canada* and that the cost of borrowing is excessive and that the transactions are harsh and unconscionable.

The Plaintiff, Thompson McCutcheon, of Hamilton, Ontario, is bringing the action under the *Class Proceedings Act*, 1992, on behalf of any person in Canada, resident outside the Provinces of British Columbia and Alberta, who borrowed money as a 'payday loan' from a Cash Store location, and who repaid the loan and the standard broker fee charged by the Cash Store (22.54% of the loan amount to March 11, 2004; 25% of the loan amount after March 11, 2004) on or after the due date of the loan.

There are separate lawsuits ongoing in British Columbia and Alberta.

The Cash Store Inc. is a wholly owned subsidiary of Rentcash Inc., a corporation publicly traded on the TSX Venture exchange under the symbol "RCS".

This ruling is enormously significant. It represents the first certification of a "payday loan" class action in Ontario and also one of the first in Canada.

David Thompson of Scarfone Hawkins <sup>LLP</sup>, the lawyer handling the case, said, "We are extremely pleased with the decision of Justice Cullity. We hope that this development will serve to motivate The Cash Store Inc. and indeed all other payday loan lenders to deal responsibly with consumers by compensating them for past wrongs and by modifying their behaviour going forward".

A number of other payday loan companies are facing legal action in respect of alleged illegal interest rates, however, few of those actions have progressed very far. This is one of the first actions to be certified as a class action allowing it to now move forward.

Scarfone Hawkins <sup>LLP</sup> has significant experience handling complex class action claims on behalf of Plaintiffs. It acted as lead counsel in successful settlement of claims against London Life Insurance Company and Canada Life Assurance Company involving "premium off-set" life insurance policies on behalf of more than 1 million policyholders across Canada.

Scarfone Hawkins <sup>LLP</sup> also successfully sued Canada Post relating to the sale of 150,000 CD-Roms that did not perform as represented.

Scarfone Hawkins <sup>LLP</sup> also successfully sued Bell Canada on behalf of consumers relating to alleged unilateral billing changes in Bell's First Rate<sup>TM</sup> long distance plan.

Scarfone Hawkins <sup>LLP</sup> presently acts in a class action claim against Dr. Salim Daya and Hamilton Health Sciences Corporation in respect of alleged unnecessary and inappropriate surgery performed on a number of women, on behalf of all individuals who contracted salmonella poisoning after consuming tainted food at the Royal Botanical Gardens Mother's Day Brunch in May, 2005, and in a claim against Northstar Aerospace, Inc. on behalf of residents of Cambridge whose properties have been contaminated with Trichloroethylene ("TCE").

More information is available on the Scarfone Hawkins <sup>LLP</sup> class action website at [www.classactionlaw.ca](http://www.classactionlaw.ca).

For more information contact David Thompson of Scarfone Hawkins <sup>LLP</sup> at 905-523-1333.