



## Cash Converters - Response to Class Action Claim

Cash Converters International Limited (**Company**) has today been served with a writ lodged with the New South Wales Registry of the Federal Court of Australia by a Mr Sean Lynch seeking to commence a class action claim on behalf of borrowers resident in Queensland who took out personal loans from the Company's subsidiaries during the period from 30 July 2009 to 30 June 2013.

Since 1 July 2013, the personal loan lending system has been undertaken in accordance with the regulatory regime introduced by the Federal Government, in conjunction with the States.

The current proceedings attack the "brokerage fee" charged to customers between 30 July 2009 and 30 June 2013. The brokerage fee system has not been used since 30 June 2013.

The proceedings relate to loans made only in Queensland to Queensland residents by Company subsidiaries based in Queensland, notwithstanding that the action has been commenced in New South Wales. The particular aspect being attacked in these proceedings is the charging of a brokerage fee to customers, mainly by franchisees, for the service of introducing customers to the Company's subsidiaries, which provided the loans.

The action will be vigorously defended.

The Company is satisfied that the brokerage fee is not contrary to any Commonwealth or Queensland legislation. It was a system commonly used by the financial services industry in Queensland. The brokerage fee was introduced in 2009 with the knowledge of the then regulator, the Office of Fair Trading. The Office of Fair Trading was fully aware of the system and raised no objection either at the time it was introduced or at any time during its use. The Company's franchisees participated in the lending system only after satisfying themselves independently from the Company that the system was not contrary to any regulatory regime within Queensland.

The writ is an ambit claim and does not quantify the amount sought to be recovered against the Company's subsidiaries. In any event, whatever that claim may be, the Company is of the view that it has no prospects of success.

Ralph Groom  
Company Secretary  
Cash Converters International Limited  
31 July 2015