

CANADIAN PAYDAY LOAN ASSOCIATION

(the "Corporation")

BY-LAWS

CORPORATE SEAL

1. The seal, and impression whereof is stamped in the margin hereof, shall be the seal of the Corporation.

CONDITIONS OF MEMBERSHIP

2. Membership in the Corporation shall be limited to persons, partnerships or corporations that:
 - (a) are engaged in the business of granting payday loans being loans not exceeding \$1500.00 for a term not exceeding thirty-one (31) days typically to a customer's next payday ("Loans") and (i) own one or more Loan outlets in Canada; or (ii) have a registered office in Canada and grant loans in Canada and provide loans to Canadians by electronic or other means; and
 - (b) are interested in furthering the objects of the Corporation; and
 - (c) agree to abide by the by-laws of the Corporation and the Code of Best Business Practices adopted by the Corporation from time to time; and
 - (d) agree to abide by the directions and rulings of the Ethics and Integrity Commissioner; and
 - (e) shall consist of anyone whose application for admission as a member has received the approval of the Board of Directors of the Corporation.
3. Members shall pay such annual membership fees as may be determined from time to time by resolution of the Board of Directors and such annual membership fees shall be payable at such time or times as the Board of Directors may by resolution determine from time to time. Unless otherwise determined by the Board of Directors and subject always to the authority of the Board of Directors to determine membership fee rates, membership fees shall be based on the number of Loan outlets in Canada that the member owns. If a member has a

registered office in Canada and grants Loans in Canada but does not own Loan outlets, for the purposes of this by-law, such member shall be deemed to own 1 Loan outlet for every 1 of its employees employed providing Loans to Canadians. The Board of Directors shall set a rate per Loan outlet for the general members and a greater rate per Loan outlet for members, when combined with affiliates and franchises, have 75 or more Loan outlets in Canada.

4. Any member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the Secretary of the Corporation. The resignation of a member shall not entitle the member to a rebate or refund of membership fees previously paid. The resignation of a member shall not reduce or extinguish the obligation of such member to pay any membership fees then outstanding.
5. The membership of a member shall automatically cease and be at an end upon the occurrence of any of the following:
 - (a) failure by the member to pay any membership fees or any installment thereof on or before the date as determined by the Board of Directors;
 - (b) determination by the Ethics and Integrity Commissioner that the member's membership in the Corporation should be terminated.

Any member whose membership has been terminated pursuant hereto may re-apply for membership and the Board of Directors may, if it chooses to re-admit the applicant as a member, impose such conditions on the membership of such member as the Board of Directors deems appropriate.

6. The Board of Directors may remove any member from membership by resolution passed by two-thirds of the directors present at a meeting of the Board of Directors.

HEAD OFFICE

7. The Head Office of the Corporation shall be in the City of Hamilton, in the Province of Ontario.

BOARD OF DIRECTORS

8. The property and business of the Corporation shall be managed by a board of not less than 3 and not more than 9 directors and a quorum shall consist of at least 50% of number of directors on the Board of

Directors from time to time. Directors must be individuals, 18 years of age, with power under law to contract. Directors need not be members.

9. The Board of Directors may consist of up to 2 directors who are, in the opinion of the Board of Directors, independent of the Loan industry (the "independent directors") and up to 7 directors each of whom is an officer, agent, representative, employee or direct or indirect security holder of the member or affiliate of the member ("Representative") of the members (the "industry directors"). The number of independent directors and industry directors to be elected to the Board of Directors shall be determined by the incumbent Board of Directors in advance of each annual meeting. Following determination by the incumbent Board of Directors of the number of independent directors and industry directors to be elected at the following annual meeting, the Board of Directors shall instruct a nominating committee established by the Board of Directors as required to solicit nominations for the director positions to be filled. The nominating committee shall report to the Board of Directors and the nominees accepted by the Board of Directors shall be presented to the members for election by the members at the next annual meeting.
10. Directors shall be elected by the members at an annual meeting of members. All Directors shall be elected for a term of 2 years provided that the Board of Directors may determine that a nominee for the position of director may be elected for a term of 1 year in order to ensure, as nearly as practicable from time to time, that one-half of the directors are elected each year.
11. The office of director shall be automatically vacated:
 - (a) if a director shall resign from office by delivering a written resignation to the secretary of the Corporation;
 - (b) if the director is found by a court to be mentally incompetent or of unsound mind;
 - (c) if the director becomes bankrupt or suspends payment or compounds with the director's creditors;
 - (d) if at a special general meeting of members, a resolution is passed by two-thirds of the members present at the meeting that the director be removed from office;
 - (e) on death; or

- (f) in the case of an industry director, the member for whom the industry director is a Representative, as described in Section 3 above, ceases to be a member for any reason;

provided that if any vacancy shall occur for any reason in this paragraph contained, the Board of Directors may, by majority vote, appoint a replacement director to fill the vacancy for the balance of the term remaining. If at a meeting of the members the members fail to elect the number or minimum number of directors required by this by-law or if a vacancy occurs as a result of any of the foregoing reasons which is not filled by the Board of Directors, the directors remaining in office may exercise all the powers of the Board provided that a quorum of directors is elected or remains in office as the case may be.

- 12. Meetings of the Board of Directors may be held at any time and place to be determined by the President at the call of the President or upon written request to the President from any 4 directors. Notice by mail shall be sent at least 14 days prior to the meeting. There shall be at least 1 meeting per year of the Board of Directors. No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of Directors of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each director is authorized to exercise 1 vote, and the Board of Directors shall act on majority vote when necessary unless otherwise provided for herein.

If all members of the Board of Directors consent thereto in advance, generally or in respect of a particular meeting, and all directors have equal access, a director may participate in a meeting of the Board of Directors by means of such conference telephone or other electronic means as permit all persons participating in the meeting to communicate with one another, and a director participating in such a meeting by such means is deemed to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance by the directors at the meeting. Each vote cast by a director participating by telephone or other electronic means shall be recorded in the minutes by the Secretary.

13. The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from his position as such. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

The directors may be paid reasonable expenses incurred by them in the performance of their duties.

14. A retiring director shall remain in office until the dissolution or adjournment of the meeting at which the director's retirement is accepted and a successor is elected.
15. The Board of Directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of such appointment.
16. A reasonable remuneration for all officers, agents and employees and committee members shall be fixed by the Board of Directors by resolution.

INDEMNITIES TO DIRECTORS AND OTHERS

17. Every director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their heirs, executors, and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:
 - (a) all costs, charges and expenses which such directors, officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability;
 - (b) all other costs, charges and expenses which he sustains or incurs in or about of in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

POWERS OF DIRECTORS

18. The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.
19. The directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to the officer or officers of the Corporation the right to employ and pay salaries to employees. The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the Board of Directors may prescribe.
20. The Board of Directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

OFFICERS

21. The officers of the Corporation shall be a President, Vice-President, Secretary and Treasurer and any such other officers as the Board of Directors may by by-law determine. Any two offices may be held by the same person. Officers need not be directors, nor members.
22. Officers shall be appointed by resolution of the Board of Directors at the first meeting of the Board of Directors following the annual meeting of members at which the directors are elected.
23. The officers of the Corporation shall hold office for one year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the Board of Directors at any time.

DUTIES OF OFFICERS

24. The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board of Directors. The President shall have the general and active

management of the affairs of the Corporation. Subject to the control of the Board of Directors, the President shall see that all orders and resolutions of the Board of Directors are carried into effect.

25. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as shall from time to time be imposed by the Board of Directors or the President.
26. The Treasurer shall have the custody of the funds and securities for the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the Board of Directors from time to time. The Treasurer shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board of Directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the Corporation. The Treasurer shall also perform such other duties as may from time to time be directed by the Board of Directors.
27. The Secretary may be empowered by the Board of Directors, upon resolution of the Board of Directors, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary shall be custodian of the seal of the Corporation, which shall be delivered only when authorized by a resolution of the Board of Directors and to such person or persons as may be named in the resolution.
28. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board of Directors requires of them.

EXECUTION OF DOCUMENTS

29. Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two officers and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Board of Directors.

MEETINGS

30. The annual or any other general meeting of the members shall be held at the head office of the Corporation or at any place in Canada as the Board of Directors may determine and on such day as the said directors shall appoint. The members may resolve that a particular meeting of members be held outside Canada.
31. At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The members may consider and transact any business either special or general at any meeting of the members. The Board of Directors or the President or Vice-President shall have the power to call, at any time, a general meeting of the members of the Corporation. The Board of Directors shall call a special general meeting of members on written requisition of members carrying not less than 5% of the voting rights. The lesser of 20% of the members in good standing or 10 members present in person at a meeting will constitute a quorum.
32. Fourteen days written notice shall be given to each voting member of any annual or special general meeting of members. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the member that the member has the right to vote by proxy.

Each member determined by the Board of Directors to have paid all membership fees previously due and present at a meeting shall have the right to exercise 1 vote for every Loan outlet open and in operation in Canada or deemed Loan outlet, as the case may be, on the date of the notice of the meeting. A member may, by means of a written proxy, appoint a proxyholder to attend and act at a specific meeting of members, in the manner and to the extent authorized by the proxy. A proxyholder must be a member of the Corporation. Members who have not paid all membership fees due on or before the date of a members meeting shall not be entitled to vote a such meeting.

33. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any member, director or officer for any meeting or otherwise. the address of the member, director or officer shall be the last address recorded on the books of the Corporation.
34. If all members consent thereto in advance, generally or in respect of a particular meeting, and all members have equal access, a member may participate in a meeting of members by means of such conference telephone or other electronic means as permit all persons participating in the meeting to communicate with one another, and a member participating in such a meeting by such means is deemed to be present at the meeting. The Secretary shall ensure each particular meeting is handled in a secure fashion. Quorum shall be established by the Secretary at the beginning of each particular meeting by verbal roll call, where appropriate, or by such other reasonable measures as determined by the Secretary to accurately confirm attendance of the members at the meeting. Each vote cast by a member participating by telephone or other electronic means shall be recorded in the minutes by the Secretary.

MINUTES OF BOARD OF DIRECTORS

35. The minutes of the Board of Directors shall not be available to the general membership of the Corporation but shall be available to the Board of Directors, each of whom shall receive a copy of such minutes.

VOTING OF MEMBERS

36. At all meetings of members of the Corporation every question shall be determined by a majority of votes unless otherwise specifically provided by statute or these by-laws.

FINANCIAL YEAR

37. The Board of Directors shall determine the fiscal year-end of the Corporation.

COMMITTEES

38. The Board of Directors may by resolution appoint committees whose members will hold their offices at the will of the Board of Directors and receive such remuneration, if any, as may be determined by the Board of Directors.

AMENDMENT OF BY-LAWS

39. The by-laws of the Corporation not embodied in the Letters Patent may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds of the votes cast by members at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry Canada has been obtained.

AUDITORS

40. The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the members at the next annual meeting. The auditor may be a director, officer or employee of the Corporation or of an affiliated corporation, or associated with that director, officer or employee, if the appointment is consented to by all of the members. The auditor shall hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office or auditor. The remuneration of the auditor shall be fixed by the Board of Directors.

BOOKS AND RECORDS

41. The directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

RULES AND REGULATIONS

42. The Board of Director's may prescribe such rules and regulations not inconsistent with these by-laws relating to the management or operation of the Corporation as they deem expedient.

INTERPRETATION

43. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

OTT_LAW\ 1301131\6