

1 MANITOBA PUBLIC UTILITIES BOARD

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6 Re: TO DETERMINE MAXIMUM FEES

7 FOR PAYDAY LOANS

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11 Before Board Panel:

12 Graham Lane - Board Chairman

13 Monica Girouard - Board Member

14 Susan Proven - Board Member

15

16

17 HELD AT:

18 Public Utilities Board

19 400, 330 Portage Avenue

20 Winnipeg, Manitoba

21 July 6th, 2007

22 Pages 1 to 52

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1 APPEARANCES
2
3 Anita Southal) Board Counsel
4
5 Leo Sorenson) Sorenson's Loans Till
6) Payday
7
8 Antoine Hacault) Rentcash Inc.
9
10 Allan Foran) Canadian Payday Loan
11) Association
12
13 Kevin Isfeld) BC Payday Loan Association
14
15 Byron Williams) CAC/MSOS
16 Liz MCandless) Student-at-law
17
18 Nathan Slee) 310-Loan
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1 --- Upon Commencing at 9:00 a.m.

2

3 THE CHAIRPERSON: Good morning, everyone.

4 If I could have your attention please. I will call this
5 pre-hearing conference to order. My name is Graham Lane,
6 I am Chairman of the Public Utilities Board and I am
7 joined today by two (2) fellow members of the Board, Ms.
8 Susan Proven and Ms. Monica Girouard.

9 We are also assisted by our board counsel,
10 Ms. Anita Southal and board secretary, Gerry Gaudreau.
11 Recent amendments to the Consumer Protection Act of
12 Manitoba provide for the Board establishing maximum
13 allowable charges and fees for payday loans.

14 Payday loans are defined in the Act as
15 subject to regulations, a loan of money with (a) initial
16 advance of no more of fifteen hundred (\$1,500) and (b) an
17 initial term ignoring any extension or renewal that is no
18 longer than sixty-two (62) days. In accordance with the
19 legislation the Board will hold public hearings.

20 We will hear submissions from interested
21 parties, from all interested parties, on these matters.
22 Thereafter the Board will set by board order the maximum
23 amounts which may be charged for payday loans pursuant to
24 the Board's mandate.

25 The amendments to the Consumer Protection

1 Act specifically require the Board to fix the maximum
2 cost or credit or establish a rate, formula or tariff for
3 determining the maximum cost of credit that may be
4 charged, required or accepted in respect of a payday
5 loan.

6 Fix the maximum amount or establish a
7 rate, formula or tariff for determining the maximum
8 amount that may be charged, required or accepted in
9 respect of an extension or renewal of a payday loan or in
10 respect of a replacement loan.

11 And (c) fix the maximum amount or
12 establish the rate, formula or tariff for determining the
13 maximum amount that may be charged, required or accepted
14 in respect of a default by a borrower under a payday
15 loan.

16 A notice of hearing was published in all
17 major Manitoba newspapers with the Board's plans for
18 public hearings. Hearings will be held in Thompson,
19 Brandon and here in Winnipeg. In Thompson November 5th,
20 Brandon November 7th and Winnipeg beginning November
21 13th. Presently, we expect closing arguments will be
22 heard on December the 3rd but we're flexible, of course.

23 In the public notice the Board indicated
24 this pre-hearing conference would be held. Our purposes
25 today are to identify the parties to the proceedings and

1 receive requests for intervention. We will also consider
2 the proposed time table for the orderly exchange of
3 information leading up to the public hearing process.
4 The Board will then, subsequently by order, confirm the
5 parties who are granted Intervenor status, fix a
6 timetable to accomplish the pre-hearing requirements and
7 exchange of information, and finalize the public hearing
8 dates.

9 The Board recently issued its first order
10 respecting the maximum rate or charge that can be levied
11 for cashing government cheques in Manitoba. In that
12 matter, the Board indicated to participants that since it
13 was new legislation and new mandate, and since there are
14 no applicants, no one carries an onus in the proceedings,
15 such is the case again with this proceeding.

16 The Board will exercise some latitude with
17 respect to the application of its -- as to its rules of
18 practice; this to ensure that all relevant information
19 that can be reasonably, possibly presented to the Board
20 is so done and we reiterate this point to day.

21 Participants who are not familiar with the
22 Board's regular rules of practice which govern our
23 hearing, can find them on our website or you can see Mr.
24 Gaudreau at the end of the hearing.

25 The Board welcomes comments today not only

1 as to process or the draft timetable but also as to what
2 your interest is in the proceeding.

3 So with that, I will now turn to Ms.
4 Southal. She will make further introductions and explain
5 the balance of today's process. She will also introduce
6 the draft timetable and briefly outline the Board's
7 position on Intervenor funding. Ms. Southal...?

8 MS. ANITA SOUTHAL: Thank you very much,
9 Mr. Chairman, and good morning to the members of the
10 Panel this morning and to all those present today for the
11 commencement of our public hearing process.

12 For the record, my name is Anita Southal
13 and I am counsel to the Board in this public hearing
14 process leading to a Board order to fix the maximum cost
15 of credit for payday loans, extension or renewals, and
16 maximum charges for loan defaults.

17 As noted by the Chairman in his opening
18 remarks, there has been an amendment to the Consumer
19 Protection Act of Manitoba that requires the Board to fix
20 these amounts for payday loans as defined in the
21 legislation and outlined a moment ago by the Chair. The
22 legislation also states that the Board may, by order, fix
23 the maximums of any component of the cost of credit of a
24 payday loan.

25 The legislation as you may know from your

1 review provides assistance to the Board by indicating a
2 number of factors that the Board may consider in fixing
3 the maximum cost of credit or establishing a rate formula
4 or tariff.

5 And those factors include the operating
6 expenses and revenue requirements of payday lenders in
7 relation to their payday lending business; the terms and
8 conditions of payday loans; the circumstances of and
9 credit options available to payday borrowers generally,
10 and the financial risks taken by payday lenders; the
11 regulation of payday lenders and payday loans in other
12 jurisdictions; any data that the Board considers relevant
13 and any other factors that the Board considers relevant
14 and in the public interest.

15 The legislation also incorporates Part 1
16 of the Public Utilities Board Act granting the powers and
17 procedure thereunder for the making of orders with
18 respect to this amended legislation. The Board has the
19 power to set its own rules of practice and procedure and
20 has published its current rules adopted June 1st, 2006
21 and revised March 14, 2007.

22 The purpose of today's pre-hearing
23 conference includes identifying perspective Intervenors
24 and establishing their reasons for intervention. It may
25 also lead to further consideration of opportunities for

1 proposed Intervenors to work cooperatively and avoid
2 duplication of interventions. The Board's procedural
3 order arising out of today's hearing will identify the
4 Intervenors who may then participate in that capacity in
5 the public hearing process.

6 We will also consider this morning, as the
7 Chairman just noted, the proposed timetable and planned
8 process for this payday loans matter, which will also be
9 set out as part of the Board's pending procedural order
10 in this matter. So the final timetable will actually be
11 appended to the order that will issue as a result of
12 today's process.

13 The Board of course welcomes comments of
14 today's participants on these issues. Now to facilitate
15 the record for this pre-hearing conference, I'm just
16 going to enter formally a number of exhibits for the
17 record.

18 And Mr. Chairman, I suggest that the first
19 exhibit be the Notice of Public Hearing that was
20 published, as you remarked upon, and this would become
21 PUB Exhibit Number 1.

22 THE CHAIRPERSON: Very good.

23

24 --- EXHIBIT NO. PUB-1: Notice of Public Hearing
25

1 MS. ANITA SOUTHAL: Secondly, the
2 proposed draft timetable will be marked as PUB Exhibit
3 Number 2, please.

4 THE CHAIRPERSON: Okay.

5

6 --- EXHIBIT NO. PUB-2: The proposed draft timetable

7

8 MS. ANITA SOUTHAL: And finally, for
9 today, the Board's current rules of practice and
10 procedure are marked as PUB Exhibit Number 3.

11 THE CHAIRPERSON: Thank you.

12

13 --- EXHIBIT NO. PUB-3: The Board's current rules of
14 practice and procedure

15

16 MS. ANITA SOUTHAL: Thank you. And with
17 respect to Exhibit Number 2, the draft timetable, I did
18 circulate that version of the timetable yesterday by
19 email to all of the registered Intervenor applicants, or
20 to their Counsel.

21 And I have met with a few of you before
22 the hearing started and indicated that I -- I have hard
23 copies of the timetable, and also of the list of
24 applicant Intervenors.

25 Does anybody want a copy of that

1 timetable?

2 Okay if -- if -- maybe if you could just
3 come forward, we have -- Mr. Gaudreau has extra copies
4 here, so.

5

6 (BRIEF PAUSE)

7

8 MS. ANITA SOUTHAL: Thank you. Just
9 carrying on then, as I've indicated, one (1) of the
10 purposes of today's hearing is to have perspective
11 Intervenors identify to the Board the reasons for their
12 seeking to intervene. These reasons are generally tied
13 to the scope of the proceedings before the Board.

14 And there are a number of Intervenor
15 applicants who have filed Intervention Applications, Mr.
16 Chairman, and I will review them for the record. I will
17 also take a moment to indicate, as I'm doing this, who I
18 understand to be present today on behalf of these
19 Intervenors.

20 In -- in no particular order we have
21 first, Sorensen's Loans Till Payday, and I've met Mr. Leo
22 Sorensen this morning and he is present with us today.

23 For Rentcash Inc., who have applied for
24 Intervenor status, they have Counsel representing them
25 today; this is Mr. Antoine Hacault, and he is present

1 with us this morning.

2 For -- an Intervenor Application has been
3 applied for by Kent Taylor, Progressive Insurance
4 Solutions, and I haven't had anyone identify themselves
5 to me today for this organization, is anyone present?

6 MR. KEVIN ISFELD: No, he can't make it.

7 MS. ANITA SOUTHAL: Thank you. On my
8 list next is the Canadian Payday Loans Association and
9 they have Counsel representing them today, Mr. Allan
10 Foran, who's present this morning.

11 We also have the British Columbia Payday
12 Loans Association, and Mr. Kevin Isfeld is representing
13 that organization, and he is present today.

14 Next we have Consumers Association of
15 Canada, Manitoba Society of Seniors, and present for them
16 today as Counsel is Mr. Byron Williams, and his articling
17 student, and I believe her name is Ms. McCandless.

18 MR. BYRON WILLIAMS: Liz, L-I-Z,
19 McCandless, M-c-C-A-N-D-L-E-S-S.

20 MS. ANITA SOUTHAL: Thank you very much.
21 Mr. Williams will be speaking to another organization
22 this morning who may be joining his group in respective
23 intervention, so I'll leave that to Mr. Williams to
24 introduce.

25 Next in our Intervention Applications on

1 my list is Direct Cash Management Inc., and the
2 representative has identified themselves to the Board as
3 Mr. Jeff Smith. Is Mr. Smith present today?

4 It doesn't appear so. We next have an
5 organization called a 310-Loan, and Mr. Nathan Slee is
6 the representative, and Mr. Slee is present today.

7 The next intervention application is by
8 Cash-X Inc. and the representative is Mr. Steve Sardo.
9 He's identified to the Board advance of the hearing today
10 that he would not be in attendance at the hearing today.

11 And finally, an intervention application
12 has been received by Transglobal Insurance and Mr. Mark
13 Mascotto is identified as the representative. Is he
14 present today?

15 And, Mr. Chairman, I don't see that person
16 present at the hearing this morning.

17 THE CHAIRPERSON: Perhaps after the
18 hearing you could remind them of the deadlines.

19 MS. ANITA SOUTHAL: Yes, thank you, Mr.
20 Chairman. At this time, I just want to ensure that there
21 aren't any other Intervenor applicants present who
22 haven't been identified or have we missed anyone else who
23 is in attendance today and wanting to speak to an
24 intervention application.

25 There does -- doesn't appear to be anyone

1 else, Mr. Chairman, who wishes to address the Board on
2 these matters this morning. We will shortly turn to
3 these participants, members of the Board, for their
4 comments and submissions, but before we do that I want to
5 remind Intervenor applicants who are seeking an award of
6 costs in particular, that the Board's standing costs
7 order and its rules of procedure set out a four-fold test
8 that must be met for the Board to consider awarding cost.

9

10 So a costs award is a discretionary award
11 that the Board may grant. Turning to those tests, they
12 include that the Intervenor must make a significant
13 contribution that is relevant to the proceedings and that
14 they are found to have contributed to a better
15 understanding by all parties of the issues before the
16 Board.

17 In addition, they have to participate in
18 the hearing in a responsible manner and cooperate with
19 other Intervenors who have common objectives in the
20 outcome of the proceedings in order to avoid duplication
21 of intervention. Further, they have to have insufficient
22 financial resources to present their case adequately
23 without an award of costs.

24 And finally the Intervenor must have a
25 substantial interest in the outcome of the proceedings or

1 represent a substantial number of persons or members who
2 will be impacted by the order. Mr. Chairman, I suggest
3 that you now canvass the other parties here today for
4 their introductions and their submissions on intervention
5 and process. And of course as always if the Board feels
6 that I can be of further assistance, please feel free to
7 call on me. Thank you.

8 THE CHAIRPERSON: Have no fear of that,
9 Ms. Southal.

10 Okay, then. So I will now call on the
11 Intervenors/Applicants in the order that Ms. Southal went
12 through. If you would first introduce yourself, your
13 company and your association and/or interest and advise
14 us to the purpose of your intervention, express any
15 comments on the draft timetable, indicate if you have any
16 interest in filing a proposal for a cost award and if so,
17 what the budget would be, provide an estimate on that
18 nature.

19 So to begin with, I would like to call on
20 Mr. Leo Sorenson of Sorenson's Loans Till Payday.

21 Mr. Sorenson...? Do you have a mic there,
22 sir?

23 MR. LEO SORENSON: I believe so.

24 THE CHAIRPERSON: Thank you.

25

1 SUBMISSIONS BY MR. SORENSEN'S LOANS TILL PAYDAY:

2 MR. LEO SORENSEN: My intervention is a
3 fact that the cost of the payday loan and the cost to the
4 consumer is not relevant without the factor of the bad
5 debt involved in the loans; the number of people that
6 don't repay the loan. Plus in Manitoba, we cannot use a
7 court system; we have tried, we get kicked out of the
8 court.

9 Without that system it is difficult, so
10 our small company -- I -- I'm an independent that have
11 three (3) stores here now -- that we have over a million
12 dollars of bad debt in Manitoba that we can write letters
13 to and ask the people to pay us, but that is all.

14 So without the costs -- and, Mr. Chairman,
15 I believe in Thompson in December I told you at that time
16 that the Federal Government pays me 15 percent for doing
17 the taxes and paying the cash out, and they do -- pay me
18 back. The first three hundred dollars (\$300) is 15
19 percent and they pay me that in ten (10) days. So it's
20 not much different than a payday loan except it's
21 guaranteed.

22 Without it guaranteed, 7 to 10 percent
23 added on to take the risk is very minimal. Anything less
24 than that -- and I've heard figures of 17 percent rather
25 than 15 -- I don't know of anyone that can run a business

1 with the risks that we take. And I think that everyone
2 in the payday loan industry has a significant bad debt
3 problem -- can live on a 2 percent difference and -- and
4 it's very quick and very easy.

5 The real cost of the loan is the money.
6 Manitoba also talks about that I should loan people money
7 for three (3) days for nothing. I wish somebody would
8 tell me what bank I can go and borrow money for three (3)
9 days for nothing or any place else. Or whether anybody
10 here in this room is interested in working for three (3)
11 days for nothing. To me, it's -- it goes against all the
12 grain of public interest, of public commercial deals.

13 If I go and borrow money and I write up a
14 contract, I do all the due diligence on it, but the
15 person comes back and pays me the next day, I do this for
16 nothing. I don't think so.

17 I don't think it's fair. I don't think
18 it's understandable that people should be able to borrow
19 money, incur a cost for myself or any other company that
20 loans money out, and then do it free. That doesn't make
21 sense.

22 I think what I've said will be duplicated
23 by others so I'll quickly close and thank you, Mr.
24 Chairman, and the Board.

25 THE CHAIRPERSON: Thank you, Mr.

1 Sorensen.

2 Mr. Hacault for the Rentcash.

3

4 SUBMISSIONS BY RENTCASH INC.

5 MR. ANTOINE HACAULT: Good morning, Mr.
6 Chairman, members of the Board. My name, as you've
7 indicated, Antoine Hacault, from Thompson, Dorfman,
8 Sweatman LLP, we act on behalf of Rentcash Inc. It
9 welcomes the opportunity to address the Board. With me
10 at the counsel table is Mr. Gordon Reykdal, Chairman and
11 CEO of Rentcash Inc.

12 In an attempt to streamline the process,
13 we have spoken to Board counsel as well as counsel for
14 the Payday Loan Association, Alan Foran, and we've also
15 spoken to Byron Williams. We intend to have further
16 discussions with the view of attempting to narrow issues,
17 cooperating, and avoiding duplication.

18 I propose to outline briefly why our
19 client believes it can contribute to the tasks to be
20 undertaken by the Board.

21 Rentcash Inc. is a major player in the
22 Canadian and Manitoba payday loan industry. It is a
23 publically traded Canadian-owned business; the only one
24 in Canada that has that position. It's in a unique
25 position to provide customer profile and needs

1 information. It's the largest provider of services in
2 Manitoba.

3 It services a different sector of the
4 market than some of the other Intervenor applicants. It
5 operates under a broker model which matches borrowers
6 with third party non-arm's length lenders. It is not a
7 member of the Canadian Payday Loan Association and may,
8 therefore, have different -- a different view and
9 perspective on certain issues.

10 It prides itself in being a leader in
11 consumer business practices. For example, although you
12 have the mandate to decide the rates for renewals, or
13 what's called in the industry "rollovers", it has
14 voluntarily excluded that from its practice. And more
15 will be said of that.

16 It except -- expects to be able to assist
17 the Board by providing information on all the items
18 listed in 164 of the Consumer Protection Act, and
19 particularly with respect to the position of various
20 payday loan business models, because there are different
21 models within the financial industry, the consumer impact
22 of rate structures and options and alternatives, the
23 consumer profiles, and given its broad experience across
24 the country, it also expects to be able to provide
25 information as to what is happening in other provinces,

1 as well as in the United States.

2 That completes my comments with respect to
3 why it believes it can provide useful information to the
4 Board on the Intervenor status. With respect to the
5 schedule, we had initially provided comments that we felt
6 we needed, at least until the end of August, and we see
7 that the draft schedule has been provided.

8 Accommodating that, I must still advise
9 that that is a very, very tight timeline because our
10 experts -- it's the summer holiday. We also have as a
11 company our financial year-end and there's an extensive
12 audit process that has to occur in the next two (2)
13 months, which is exactly the timeframe that's being
14 proposed by this Board, so the staff that has to deal
15 with the financial issues which would be provided to this
16 Board is also very busy at the company dealing with audit
17 issues for this publically traded company.

18 So that -- we don't know exactly how
19 things are going to pro -- progress, but this leads me to
20 a couple of other comments on the schedule. We see that
21 there's a second round of Information Requests. While
22 there might be a tendency to eliminate those, I'd be
23 reluctant to exceed to that because, in our view, we
24 don't have the normal procedure where you have an
25 applicant. It's hard to anticipate what other people

1 will file. It's hard to anticipate how the issues will
2 develop over the next couple of months.

3 In fact, one (1) of the key issues is a
4 regulation outlining the definition of the cost of
5 credit. It was supposed to come out next week, and now
6 the draft reg -- timeline indicates it's going to come
7 out at the end of July. And I'll explain a bit further.
8 That may or may not have an impact on how we prepare our
9 information because we don't know at this time what's
10 going to be included. We have to kind of anticipate what
11 might be included. There's been a general letter, but no
12 sharing of the actual draft regulation, which poses a
13 problem.

14 We note that in the timetable there is no
15 provision for a rebuttal. And given the nature of the
16 hearing, it's a first hearing, it may be useful and help
17 the efficiency of the hearing if there is an opportunity
18 to file a fairly wide, I'm going to say rebuttal; maybe
19 wider than what we would normally have because both
20 parties are going in -- into the consumer groups and the
21 Payday Loan Associations with no idea what -- we've got a
22 general idea what people might be saying, but no specific
23 idea.

24 So then if we have Information Requests,
25 there's going to be information requested, but no real

1 opportunity to respond to the positions that developed in
2 the initial filing. And we think that it might help the
3 efficiency of the hearing if there's some process where
4 that can be fleshed out a bit and we can have a response
5 to the filings. We think that it might help the
6 efficiency of not having that come out in *viva voce*
7 evidence or a cross-examinations during the hearing. So
8 we raise that for the Board's consideration.

9 Those are all my comments with respect to
10 the scheduling. The next subject -- which I don't know
11 if there's any questions of the Board on this scheduling
12 issue. I -- we can maybe hear from other parties before
13 having a further discussion.

14 With respect to hearing issues, speaking
15 to Byron and looking at the -- the cheque cashing, there
16 may be an issue, once again, of confidential information.
17 We don't anticipate that happening at this time with
18 respect to Rentcash, because it is a publically traded
19 corporation with publically available audited statements.

20 And probably the information that's
21 required for the Board will be obtainable through that
22 public information, and we don't foresee at this time
23 making a request. But if needed, we'll speak to Board
24 Counsel and to Mr. Byron Williams to see how best to deal
25 with this issue and bring it before the Board.

1 Finally, I don't know if the Board wishes
2 to have some comments on the issues we see being relevant
3 or raised during the course of the hearing. If so, I do
4 have some comments.

5 THE CHAIRPERSON: We would be pleased to
6 hear them, please.

7 MR. ANTOINE HACAUT: Okay. Firstly,
8 under the heading of the cost of credit and rates and
9 structures for the cost of credit, that's the first part
10 of the mandate, as I indicated we don't have the
11 regulation yet which will further define this term, but
12 we anticipate that there may be some issues as to what's
13 included and excluded.

14 For example, something that has been
15 traditionally excluded is third party optional services
16 to receive advances in forms other than cash and that may
17 be, for example, providing a debit card. Third party
18 debit cards options are an additional charge. And of
19 course when you go to a bank and you withdraw from a
20 banking institution as the Bank of Montreal, you get
21 charged, again, depending on what happens.

22 So that type of issue may arise. We don't
23 know yet and we won't know until we get the regulation
24 what is going to be an issue there and that poses a
25 problem because on that particular subject matter we've

1 got practically a month where we won't be able to do
2 anything not knowing what's happening.

3 The second matter that will probably be an
4 issue is the different models in the industry and the
5 different industry practises. We believe that the
6 information which will be provided to the Board will show
7 that there are different risk profiles of loans.

8 Some providers may have a low risk
9 profile, they accept loans and grant loans to people that
10 are more surer to pay versus higher risk people. So how
11 does that factor into what you're going to be deciding.

12 There is also, I expect, going to be a
13 discussion with respect to rollovers. There is -- I
14 expect information will show that there's a substantial
15 difference in how people operate as a result of not
16 having rollover policies versus the people in the
17 industry that do have rollover policies and there's
18 cross-subsidization issues there.

19 There's some suppliers that also supply
20 the capital as part of their company and some other
21 providers, such as Rentcash Inc., approach third party
22 non-arms length lenders to obtain the capital and that
23 also may have an impact on you set the rates and the
24 structures.

25 Thirdly, we anticipate that rate

1 structures will have to given sufficient flexibility to
2 allow for normal competition and may have to be
3 multifaceted. Amounts may be a factor, so that if you
4 give a loan for a hundred dollars (\$100) versus six
5 hundred dollars (\$600), that may be a factor. As
6 indicated before, loan default profiles may be a factor
7 and also location may be a factor, depending where in the
8 province.

9 Dealing now with the second mandated
10 aspect, which is rates and structures on renewals or
11 what's commonly called as "rollovers" in the industry, we
12 expect that issues will be raised with respect to cross-
13 subsidization. And we'll be able to explain that
14 further.

15 Between rollover charges and cost of
16 credit charges, when the information comes out, we
17 believe that it's going to show that it's not as clear
18 cut as the legislation makes out it -- to be; that you've
19 got cost of credit; that you've got renewals and finally
20 de -- default charges. There's an interrelationship in
21 cross-subsidization issues that we expect that are going
22 to be raised between those categories.

23 For example, under the default charges,
24 which is the last category which the Board has to
25 consider, some business models spend more money upfront

1 to avoid having loan default. Some of them don't
2 structure it so that there is a default before the
3 payday. And there's also an issue which was raised by
4 Mr. Sorenson on the ineffective recovery; how do we deal
5 with that and what impact does that have on the cost of
6 credit charges.

7 And finally, investors expect a certain
8 rate of return on matters, so that, if I'm speaking of
9 investors in the case of Rentcash Inc., they're in fact
10 third party non-arms length investors and lenders. And
11 those people, as you will hear further information at the
12 hearing, expect certain rates of return if they are going
13 to enter into the market and provide funds to the
14 brokers.

15 So we expect that that is also going to be
16 information, which the Board will want to consider; is
17 what impact is the model or the rate structure that
18 you're going to be setting, what impact is that going to
19 have on the willingness of third party lenders to provide
20 funds for this service.

21 Finally, with respect to the issue of
22 costs, we have simply, in our application, reserved the
23 right to claim for costs. I can't say today to what
24 extent the information will be generally useful for --
25 for the Board, as opposed to more specific on Rentcash

1 Inc.

2 We believe it's going to be generally
3 useful and that's why we're reserving the right for
4 costs. We believe that we can -- contribute in a
5 substantial way to an understanding of the industry as a
6 whole, to the consumer profiles as a whole, to the need
7 of those consumers for this service, and in that regard
8 we are reserving our rights to claim costs depending what
9 really unfolds during the process.

10 Finally, on behalf of our client, we thank
11 you for the opportunity to participate in this process.

12 THE CHAIRPERSON: Thank you for your
13 comments. We are quite sympathetic on the issue of the
14 time schedule and we will return to that when we are
15 finished going through the roster.

16 Is Kent Taylor, Progressive Insurance
17 Solution -- we do have an Intervenor request form just to
18 let the parties know that we appear to have received one
19 (1) by fax. Although, they are not present, so we will
20 be able to -- yes, sir?

21 MR. ANTOINE HACAULT: Sorry, my client
22 quite correctly pointed out that I was saying non-arms
23 length and in fact that record should be corrected; arms
24 length. I apologize for that.

25 THE CHAIRPERSON: Thank you. So we do

1 have an Intervenor status with him, so Ms. Southal will
2 communicate and we will be able to consider it after
3 that. Okay, Mr. Foran, Canadian Payday Loans
4 Association.

5

6 SUBMISSIONS BY CANADIAN PAYDAY LOAN ASSOCIATION:

7 MR. ALLAN FORAN: Yes, thank you. Good
8 morning, Mr. Chairman, members of the Board. It's a
9 pleasure to be here this morning on behalf of the
10 Canadian Payday Loan Association.

11 The Intervenor Application indicated that
12 my client is a federally incorporated not for -- not for
13 profit association. What I can indicate for the record
14 is that my client was incorporated and founded in
15 approximately 2004 and was the first association to
16 represent the payday loan industry. Amongst other
17 things, it has a voluntary code of conduct.

18 You've heard some comments already this
19 morning in relation to lending practises, but the code of
20 conduct, amongst other things, allows for mystery
21 shopping, it allows for the heavy fines to be levied in
22 the event that members breach the code, but key elements
23 include a ban on rollovers. And you've heard my learned
24 friend, Mr. Hacault talk a little bit about that.

25 The code also provides for a right to

1 rescind, a twenty-four (24) to forty-eight (48) hour
2 right to rescind, stipulates that association members
3 should conduct themselves to -- in a manner where there's
4 fair collection practises, and calls for better
5 transparency to consumers in relation to the offerings
6 from its members.

7 It is, as I've indicated in my
8 intervention, the association members are present in
9 Manitoba. We represent small, mid-size and large
10 organizations. We bring a perspective that is both rural
11 and urban. Our members are not located entirely in the
12 city of Winnipeg. We -- we have approximately, I
13 understand, about thirty (30) retail outlets in the
14 Province of Manitoba, although we represents
15 approximately one thousand three hundred and fifty
16 (1,350) retail outlets throughout the country.

17 You're going to hear more about this
18 throughout the course of the hearing, but the members of
19 the Association typically provide a service that is not
20 available through banking institutions. And this won't
21 be an unfamiliar concept with the members of the Board,
22 having just gone through an entire hearing where you
23 heard evidence on these kinds of issues. And I was
24 actually struck by Mr. Hacault's comments because much of
25 what he said, I think that you've had a preview on in the

1 last hearing in relation to -- to costs, access to
2 capital, costs of doing business and default rates.

3 What my client believes that it can bring
4 to bear, and it has actually done this already, is that
5 it has prepared studies in relation to the industry.
6 There's a couple that have been referenced in the
7 application for intervention: There is an Environics
8 study, there's a study by Ernst & Young.

9 And although we don't propose to provide
10 specific costs of specific Association members, we do
11 have general costing information that we believe will be
12 of interest to the Board as to how the business operates;
13 the cost components contained in the operations; how
14 those cost components have been affected over the last
15 few years; and more particularly, some of the details in
16 relation to how businesses themselves do operate.

17 I want to stress one important factor.
18 The CPLA was instrumental in allowing this hearing to
19 take place. My client promoted regulation and was the
20 only association that appeared saying that something
21 needed to be done, and supported Bill C26 that allowed
22 for provincial regulatory bodies, such as Manitoba, to
23 conduct these sorts of hearings. We have worked closely
24 with government in the past. We have conducted wide-
25 spread consultation with governments throughout Canada.

1 Federal Government, of course, but mostly importantly
2 provincial governments for the purposes of this hearing.
3 And we promoted harmonization of legislation, regulation,
4 and the setting of maximum fees.

5 So we have a history with this and we
6 believe that we can bring something to bear in terms of
7 some of the criteria that Ms. Southal highlighted and
8 particularly how other legislations may well be
9 conducting themselves. The Board is likely aware that
10 other provinces are in the process of implementing their
11 regulatory schemes and conducting hearings or will soon
12 do so.

13 A couple of things that I also want to
14 highlight, just in terms of areas of evidence, I've had
15 the opportunity to speak with my client and there are
16 some interesting things that we may be able to do subject
17 to timing. And I will come back to that.

18 The first thing that we intend to provide
19 information on is the cost structure of the business. I
20 anticipate we will also provide information with respect
21 to the economics of the industry. And to a degree -- and
22 this is something that perhaps Mr. Williams and Mr.
23 Hacault and myself can sort out. I don't want to overlap
24 anything, but I think that we're going to be in a
25 position to provide some information with respect to cost

1 of capital, rates of return, and how it impacts on the
2 business.

3 Right now we also anticipate providing
4 some information on the social impacts of the Board's
5 decision. How your decision-making process may impact
6 consumers and their availability to this important
7 financial service.

8 We anticipate there will be some consumer
9 studies. I've referenced, for example, the Environics
10 Study in the -- in the application for intervention, and
11 we're hopeful that we may be able to update some of that
12 to provide the Board with some information on its
13 consumers.

14 Now, at first instance you might say
15 that's Mr. Williams' job, and that may well be so, but
16 the Association membership is the one that actually deals
17 with the consumers and we think we can provide you with
18 some information as to who they are and what their
19 thoughts are when they use our Association members'
20 facilities.

21 And finally, I've touched upon this
22 already, but regulatory information to assist the Board,
23 and that would be from a Canada-wide perspective.

24 We have asked for costs. I've indicated I
25 don't believe the Association is actually in any

1 different position than CAC. We are -- I could perhaps
2 suggest to the Board -- the two bookends: You've got the
3 Consumer Association and you've got the lending industry.
4 And it is nice to see Mr. Hacault's client here. You'll
5 have some individual information as to how a -- how an
6 operator -- Mr. Sorensen as well -- how operators
7 themselves conduct business. We don't, as I say, intend
8 to provide you with that nitty-gritty but we can give, I
9 think, background information that will put that in
10 context.

11 In terms of the schedule. I've spoken to
12 my client and the more time, the more that can be
13 achieved. Realistically, the end of August will not be
14 sufficient time to conduct much of this information.
15 Although the subtle suggestion was made by the client
16 that the Foran Family holiday should be abridged, and
17 there was strong resistance on the homefront and I can
18 tell you that, in all seriousness, just exploring the
19 Association, its executives and our proposed experts,
20 we're going to have chunks of overlap where people will
21 be around and not around.

22 We are putting the wheels in motion
23 already with respect to some of the information I've
24 highlighted. But realistically, we have targeted
25 September 15th as a viable date to come up with -- with

1 what we hope are going to be some interesting reports and
2 information pieces for the Board.

3 I'm going to go just one step further and
4 note, is that my recollection is we did not have two (2)
5 rounds of interrogatories in the last hearing and perhaps
6 I -- perhaps my recollection is faulty; perhaps I just
7 didn't answer any of them.

8 But I can tell you is that I think, as
9 what happened before, the most interesting information
10 you're going to receive are in the submissions - and
11 there will be a full opportunity to cross-examine panels
12 or experts - and that the focal point of this hearing may
13 well be the hearing itself.

14 And if I could make the -- the suggestion,
15 I'm not sure we do need a second round of interrogatories
16 and perhaps I don't agree with some of My Learned Friends
17 around the table, but I have no particular issue with
18 rebuttal. And maybe one (1) option is to take away the
19 second round of interrogatories and, instead, allow for
20 some further rebuttal information to be filed which can
21 then be explored at the Board hearing process itself. I
22 just throw that out as an idea. If it doesn't find
23 favour, we'll work with whatever the Board directs.

24 Subject to questions of the Board, that's
25 the submission of CPLA. We believe we have something

1 that we will bring to bear. I hope the Board recognizes
2 that whatever we can do to minimize duplication, we will,
3 although recognizing that we do feel that if there's
4 something we need to say we would like to say it even if
5 it is duplicated.

6 Thank you.

7 THE CHAIRPERSON: Thank you, sir. Okay,
8 next up is the BC Payday Loans Association, Mr. Isfeld.

9

10 SUBMISSIONS BY THE BC PAYDAY LOANS ASSOCIATION:

11 MR. KEVIN ISFELD: Good morning, Mr.
12 Chairman and the Board.

13 The BCPLA represents twenty-seven (27)
14 businesses operating a hundred forty-three (143)
15 storefronts, comprising over 65 percent of the industry
16 in BC. We welcome consumer measure -- consumer
17 protection measures in all jurisdictions.

18 As an organization that is working closely
19 with the British Columbia Government in providing
20 statistical information with regards to the regulation of
21 our industry, we feel we can give the Board a perspective
22 of what's happening in other jurisdictions.

23 I'd like to work closer with some of the
24 other Intervenors with regards to scheduling. And that's
25 it.

1 MR. CHAIRPERSON: Thank you, sir.

2 MR. KEVIN ISFELD: Thanks.

3 MS. ANITA SOUTHAL: Sorry, Mr. Chairman.

4 Mr. Isfeld, can you tell us what your role is with your
5 organization? Just give us your title for the record,
6 please.

7 MR. KEVIN ISFELD: I'm president of the
8 BC Payday Loan Association.

9 MS. ANITA SOUTHAL: Thank you, sir.

10 MR. KEVIN ISFELD: Thanks.

11 THE CHAIRPERSON: Mr. Williams, CAC/MSOS.

12

13 SUBMISSIONS BY THE CAC/MSOS:

14 MR. BYRON WILLIAMS: Thank you and good
15 morning Mr. Chairman and also Board Member Proven and
16 Board Member Girouard. It seems that not so long ago we
17 were in the same room; I believe My Friend, Mr. Foran was
18 beside me. And just for the record, I can confirm that
19 you did not -- your clients did not answer any second-
20 round interrogatories and I'm not quite sure if they
21 answered any first-round as well, so.

22 MR. ALLAN FORAN: It still seemed to
23 work, though.

24 MR. BYRON WILLIAMS: It's a great
25 pleasure to be here. I can tell you that my traditional

1 clients, the Consumer's Association of Canada, the
2 Manitoba Branch, and the Manitoba Society of Seniors are
3 -- are very excited and I think that this is a very
4 important precedent setting proceeding. And -- and the
5 Board will be well fam -- familiar with those from the --
6 with those Intervenors and their non-profit status, so
7 hopefully without insulting them too much, I'm going to
8 really focus on the new member of the coalition that
9 we're proposing to join today.

10 And back in the second row is Mr. Donald
11 Benham, who's the public education coordinator for
12 Winnipeg Harvest. You may have seen him in other
13 functions throughout the city perhaps, in different roles
14 as well. And I can confirm that CAC/MSOS are very
15 excited that Winnipeg Harvest has expressed an interest
16 in joining the coalition.

17 Because the Board does not have much
18 background information on Winnipeg Harvest, I did take
19 the liberty of distributing a -- a short summary of their
20 2005 annual report. And I won't go through it any great
21 detail, but I do want to highlight the -- Mr. Foran spoke
22 of contact with consumers and Winnipeg Harvest. As
23 you'll see on page 1, serves on an average basis well
24 over thirty-six thousand (36,000) Manitobans monthly,
25 which is a sad fact, and of that, of course, between

1 thirteen (13) -- between thirteen (13) and fourteen
2 thousand (14,000) families.

3 It's also interesting, just below that you
4 can see the income breakdown. And another sad fact that
5 it's not just those on fixed incomes or government
6 support who are -- who are clients of Winnipeg Harvest.
7 Currently about 14 percent are those who are working in
8 the labour force and certainly they are a -- I'm advised
9 by Mr. Benham that many of those have some experience
10 with the payday industry.

11 Again, I won't spend a lot of time with
12 Winnipeg Harvest. It's financial statements are on the -
13 - on the second page of this report and I can assure you
14 that those rep -- statements demonstrate that it's non-
15 profit. I think they ran a small deficit in 2005 in
16 their annual year. They rely very heavily on donations,
17 as well as upon volunteer support.

18 And I can confirm and -- this is set out
19 in -- in the annual report as well, that Harvest is a
20 registered charity, it has a volunteer board of director,
21 and it relies literally on hundreds of volunteers in
22 order to operate, so it's a non-profit in the finest
23 sense of the word.

24 And so my clients are very pleased because
25 I -- the thousands of members that CAC/MSOS directly

1 represent, and they also believe that they represent the
2 broader interest of consumers, but they really feel
3 strongly that for the purposes of this hearing, a group
4 that was in daily contact with individuals, low income
5 persons, it's -- even those in the workforce was
6 important to bring that perspective, so we're proposing
7 that the coalition be broadened to include CAC/MSOS and
8 Winnipeg Harvest at this point in time.

9 I can also advise that just currently
10 before the Board of Directors of the two rep -- other
11 organizations, the National Anti-Poverty Organization has
12 expressed an interest in this proceeding as has the
13 Social Planning Council of Winnipeg. I -- I'm not in a
14 position to indicate whether they would be added to the
15 coalition as this point in time. We certainly advise the
16 Board of our recommendation with that regard at the
17 earliest possible time.

18 With -- with hopefully that brief PR
19 effort on behalf of Winnipeg Harvest, I do want to talk
20 briefly about the purposes of the coalition that we bring
21 in terms of their intention in intervening.

22 And they certainly intend -- they
23 certainly intend to address the three (3) questions
24 defined in the Board's mandate: Fixing the maximum cost
25 of credit, going to -- as well as in circumstances where

1 there's an extension or renewal of a payday loan and also
2 the maximum amount when there's a default. So those are
3 certainly issues that the CAC/MSOS and Winnipeg Harvest
4 intend to address.

5 In doing so, they will take a close look
6 and provide evidence on the operating expenses and
7 revenue requirements of payday lenders, terms and
8 conditions of payday loans, the circumstances and
9 conditions of -- available to payday loan borrowers and
10 financial risks as well. And they'll certainly be
11 looking to provide some perspective on circumstances in
12 other jurisdictions.

13 In terms of the intention of -- of my --
14 of the coalition, they do intend to appear throughout the
15 hearing, participate in the production of evidence, test
16 evidence and present final argument and their intention
17 currently is to call two (2) expert witnesses. They're
18 very pleased Dr. Christopher Robinson from York
19 University and I believe that the Board actually had one
20 of his reports before them in the case of the cheque
21 cashing hearing.

22 Dr. Robinson has a PhD in finance and is
23 well known for his writing in the area. He had produced
24 work both for Industry Canada and for Acorn Canada, which
25 represents the interests of low and moderate people in

1 urban Canada.

2 And just for the Board's edification, ther
3 -- we certainly don't, in terms of the two (2) experts,
4 we haven't precisely defined their duties, but if you
5 look to the Board's considerations, Dr. Robinson will
6 really be focussing on the operating expense revenue
7 requirements of payday loaner -- lenders in relation to
8 their payday lending business, the terms and conditions
9 of payday loans and the financial risk taken by payday
10 lenders.

11 And he's certainly in the past reviewed
12 some of the data that My -- Mr Friend Mr. Foran
13 referenced, the 2004 study by the industry and also some
14 information by Revenue Canada, so, that will be from his
15 expertise in finance will be perspective he will be
16 bringing.

17 Dr. Buckland, who this Board will be
18 familiar from -- with from the last cheque cashing
19 proceeding, obviously has done ground breaking work in --
20 in the City of Winnipeg in terms of his looking at the
21 circumstances and motivations of -- of those who are
22 borrowing from payday loans.

23 So he'll be focussing to a certain degree
24 on the marketplace. He'll be looking at regulatory
25 theory and -- and the nature of the com -- the

1 marketplace, whether it's truly competitive or whether
2 there are limitations in the marketplace that leave
3 certain consumers more vulnerable; He'll be looking, as
4 well, at the experience in other jurisdictions.

5 So that's roughly how my clients see the
6 breakdown of the -- of the evidence. There may be a
7 small degree of overlap, but that's the -- the intention
8 is to -- to -- for Dr. Buckland to come from the
9 marketplace perspective and also the perspective of
10 borrowers while Dr. Robinson who's worked more closely
11 with industry data will approach it from the -- from the
12 -- the other perspective.

13 I can confirm that CAC/MSOS will be
14 applying for costs, a budget has been provided to the
15 Board, CAC/MSOS and Winnipeg Harvest. I'm going to have
16 to change my -- my reference. And the -- my only comment
17 about the budget is, it -- it's a bit of a difficult
18 projection in this hearing.

19 When I did the budget I was thinking there
20 might be two (2) or three (3) parties, it looks like
21 there might be eight (8) or nine (9) and we certainly
22 were contemplating one (1) round of evidence, so, there
23 may be some -- some variations in the budget; some may
24 lead it to grow, some may lead it to be reduced.

25 I can certainly undertake on behalf of my

1 clients to -- if there's any material variation in the
2 budget, we would advise the Board in -- in short order.
3 And we do tend to track our costs on a monthly basis, so
4 we'll be able to provide information fairly quickly.

5 In terms of the schedule, I think I'm
6 going to -- on behalf of Winnipeg Harvest, CAC/MSOS come
7 down the middle between My -- My Learned Friends to -- to
8 my right. I do agree that it -- it's going to be a bit
9 problematic because we don't know what the other side is
10 going to be saying and -- and certainly CAC/MSOS and
11 Harvest are very supportive of the idea of rebuttal
12 evidence and they think it's very important.

13 And just to give you one (1) practical
14 illustration, Dr. Robinson will -- in -- in terms of the
15 industry -- in terms of his evidence, we'll be looking at
16 data from 2004 or 2005 in -- that's currently in his
17 possession.

18 If there is more current data available
19 from the Canadian Payday Lending Association, assuming
20 it's reliable and I guess we'll -- we'll work our way
21 through that as the hearing progresses, that may be some
22 -- he may wish to not revise his methodology, but the
23 actual conclusions he comes up with may be somewhat --
24 may be somewhat different.

25 So that's one (1) real practical necessity

1 for rebuttal evidence, certainly from the perspective of
2 -- of my clients. Like Mr. Hacault, I do -- I think my
3 clients would prefer a second round of interrogatories,
4 but they're not wed religiously to it.

5 They would also suggest, based on past
6 experience, it might be also possible to compress the
7 timeframe for the second round of interrogatories from
8 two (2) weeks to one (1) week in terms of posing them,
9 and one (1) week in terms of anticipating a reply. And
10 that's just based upon experience in other proceedings.
11 Usually the more intensive round of interrogatories is
12 the first one.

13 So, I join on behalf of my client's in
14 proposing a round of rebuttal evidence. My client's are
15 somewhat on the fence on second round interrogatories;
16 they would prefer them but they could certainly live with
17 the more compressed time period.

18 And subject to any questions from the
19 board, those are my comments.

20 THE CHAIRPERSON: Thank you Mr. Williams.
21 Now, Direct Cash Management, Mr. Smith is not here.
22 However, they have faxed us an Intervenor request form,
23 so we'll take that under consideration.

24 THE CHAIRPERSON: Mr. Slee...?

25

1 (BRIEF PAUSE)

2

3 SUBMISSIONS BY 310-LOAN:

4 MR. NATHAN SLEE: Thank you, Mr.
5 Chairman, and good morning, members of the board. Also,
6 thank you for the opportunity to speak here this morning.
7 I'm here representing 310-Loan. I'm the president of the
8 company and one of the owners.

16 So we think that hopefully we can bring a
17 unique perspective to the conversation because our model
18 is a little bit different than those -- most of those
19 lenders represented by the Canadian Payday Loan
20 Association, The BC Payday Loan Association and also
21 different from Rentcash's model. And we hope that, that
22 would be of value to the board.

23 We've also spoken -- I have a good
24 relationship with most of the significant direct payday
25 lenders in Canada and I've spoken to several of them and

1 they would be prepared to work with us to collect data on
2 the direct lending component of this industry, if that's
3 of value to you guys.

4 In terms of input, in addition to our
5 unique operating model and maybe our cost structure that
6 could be a little bit different, we also have two years
7 experience in the United States and we'd be prepared to
8 speak both the merits and the dangers of relying on US
9 data and rate history. When setting rates in this
10 country, I think the model there is quite different and
11 we do have a little bit of experience there which we'd be
12 happy to share.

13 We'd also like to bring support for the
14 notion that competition factors that need to be brought
15 into play need to consider things other than costs. We
16 think that the product we offer is unique for the
17 customer and does give them options other than visiting a
18 store front and we think that we'd like to bring that
19 discussion to the table and try to focus on costs that
20 would allow more than simply a, you know, a cost plus
21 solution, because we think that customers should be given
22 choice on more than just rates.

23 In terms of the timetable, I'll be honest
24 with you, I don't have very much experience here, so I
25 will let the more experienced people around the table get

1 into the timetable.

2 Just to speak briefly about the response
3 to interrogatories, I personally would find them -- you
4 know, we're a pretty small operation and we don't have a
5 government relations team or, you know, lawyers helping
6 us out with this process, and I think for me one (1) week
7 would be difficult to respond, just because I do have a
8 business to run.

9 And, other than that, we're not looking
10 for any costs. I think that covers it. Thanks.

11 THE CHAIRPERSON: Thank you, sir. The
12 next one on the list is Cash-X and the representative is
13 Mr. Sardo, and though he is not present, he too has filed
14 an Intervenor request form. So, we'll pursue that
15 separately.

16 And last on the perspective list was
17 Transglobal Insurance out of Calgary and the gentleman is
18 not here and we do not have anything filed by fax either.

19 Do we, Ms. Southal?

20 MS. ANITA SOUTHAL: We have a fax from, I
21 think it's a full intervention application, but it's come
22 in after the deadline date, Mr. Chairman.

23 THE CHAIRPERSON: Okay. Well, we'll have
24 a look at this one too. Thank you.

25 So as it appears, Ms. Southal, the major

1 concerns that have been indicated at this point in time,
2 other than the regulation and when it is coming out and
3 what it has contained, has to do with the schedule. And
4 I think we would appreciate it if you would work with the
5 parties to see if we can work out something that makes --
6 the Board too has a very heavy schedule right through the
7 summer and through the fall.

8 I think our major concerns would be, as
9 best as we can, holding to the hearing dates. As to the
10 August 31st or mid-September or consolidation of the two
11 (2) IR's and the issue of the rebuttal, we are open to
12 reasonable solution to these matters.

13 MS. ANITA SOUTHAL: Thank you, Mr.
14 Chairman. That was actually going to be my suggestion;
15 was that when we complete matters today that I spend some
16 time receiving inputs from obviously any of the
17 participants who are -- who are considering remaining as
18 Intervenors, or going forward as Intervenors, is -- is
19 probably the better word.

20 And particularly, of course, counsel who
21 can work with me to put together a schedule that's viable
22 and that, as you say, still holds to the hopefully the
23 objective of maintaining those dates and achieving the
24 end result in terms of an order before year-end.

25 THE CHAIRPERSON: Very good. The other

1 point with respect to Transglobal Insurance and the other
2 parties that apparently may join Mr. Williams' coalition,
3 we have provided a reasonable amount of time to get that
4 resolved too.

5 MS. ANITA SOUTHAL: Thank you very much.

6 THE CHAIRPERSON: So do you have any
7 other comments, Ms. Southal?

8 MS. ANITA SOUTHAL: The only other
9 comment I have and I -- I was going to attempt to address
10 it off the record, but I -- I -- because of the for --
11 format and people may actually leave the room before we
12 conclude, Mr. Chairman, if -- if I could just take your
13 direction, I wondered if it would be useful, when we
14 conclude the hearing, for me to spend a few minutes with
15 the parties who aren't represented by counsel to -- to
16 just do a very, you know, a brief overview of the
17 intervention process, tha -- you know, that typically
18 flows in these situations. I know the rules provide that
19 if the Board directs, advisors can assist unrep --
20 unrepresented parties or you know provide them with
21 information.

22 And my goal in suggesting that would be so
23 that those people are better informed to the extent, as I
24 say, that they, after today's hearing and upon further
25 reflection, if they intend to -- to pursue intervention

1 further and if the Board grants that, that they have an
2 understanding of what some of the -- "jargon" is perhaps
3 the wrong word -- but some of the back and forth has
4 occurred this morning, for example, on procedural
5 discussion and timetable and what exactly they are
6 becoming involved in.

7 And in addition to that, because we have
8 so many potential Intervenors, to ensure that -- that the
9 information is obtained and shared in an orderly way and
10 that will allow us ultimately to be able to stick to
11 whatever timetable we define -- or not we, but, pardon
12 me, but what the Board ends up defining as the timetable.

13 So I'm certainly -- time allows me to do
14 that today if the -- if the Board directs. Of course,
15 anyone is welcome to -- to stay and sort of hear my
16 information on that score. I'm not limiting it to people
17 who are unrepresented, but if -- if the Board directs,
18 I'm prepared to do that.

19 THE CHAIRPERSON: Sounds like a
20 reasonable approach, Ms. Southal. And again, we would
21 welcome anyone to stay behind that wishes to participate;
22 not only just the ones that are unrepresented by counsel.

23 MS. ANITA SOUTHAL: Thank you.

24 THE CHAIRPERSON: Do you have any other
25 comments?

1 MS. ANITA SOUTHAL: No, that's it for me
2 today, Mr. Chairman. Thank you very much.

3 THE CHAIRPERSON: Does anyone else have
4 anything they want to say at this point?

5 Okay. That concludes the pre-hearing
6 conference. Thank you for your attendance. You can
7 expect an Intervenor order out in a reasonable period of
8 time.

9 We want to provide an opportunity to clear
10 up a few of these loose ends. We want to ensure those
11 that wish to participate have an opportunity to do so.
12 So thank you very much, we look forward to seeing you all
13 later this year.

14

15 --- Upon adjourning at 9:51 a.m.

16

17 Certified Correct,

18

19

20

21

22 Wendy Warnock

23

24

25