

cash converters

FILE No:

DOC:

MARS/PRISM:

The Director,
Adjudication Branch,
Australian Competition and Consumer Commission,
GPO Box 3131,
Canberra ACT 2601

25 July 2012

Dear Sir,

Third Line Forcing Notification N70435 – Cash Converters Pty Ltd

I enclose a Form G relating to minor amendments to this notification. I enclose our cheque for \$100.

Yours faithfully,



Michael Cooke
Group Legal Counsel

AUST. COMPETITION &
CONSUMER COMMISSION
CANBERRA

30 JUL 2012

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:

(Refer to direction 2)

N96034

CASH CONVERTERS PTY LTD A.C.N. 009 288 804

- (b) Short description of business carried on by that person:

(Refer to direction 3)

Franchising and operating of Cash Converters stores dealing in second hand goods and micro-lending. See Annexure A for details

- (c) Address in Australia for service of documents on that person:

Level 18, 37 St George's Terrace, Perth WA 6000 postal : P.O. Box Y3151,
East St George's Terrace, WA 6832

2. Notified arrangement

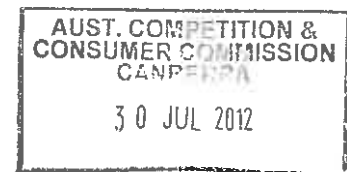
- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

See Annexure A

- (b) Description of the conduct or proposed conduct:

See Annexure A

(Refer to direction 4)



3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)
Franchisees
- (b) Number of those persons:
101
 - (i) At present time:
101
 - (ii) Estimated within the next year:
(Refer to direction 6)
103
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
.....
.....
.....
.....
.....

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)
See Annexure A
- (b) Facts and evidence relied upon in support of these claims:
See Annexure A

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)
See Annexure A

6. Public detriments

(a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

See Annexure A.

(b) Facts and evidence relevant to these detriments:

See Annexure A

7. Further information

(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Michael Cooke, Group Legal Counsel, Level 18 37 St George's Terrace,
Perth WA 6000.

Dated.....25 July 2012.....

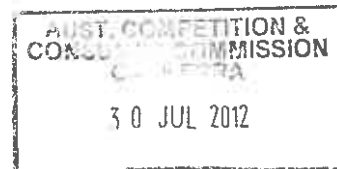
Signed by/on behalf of the applicant

.....M. I. Cooke.....
(Signature)

MICHAEL IAN COOKE
(Full Name)

CASH CONVERTERS PTY LTD
(Organisation)

GROUP LEGAL COUNSEL
(Position in Organisation)



Annexure A to Form G
Exclusive Dealing Notification – Third Line Forcing

Cash Converters Pty Ltd

1. Introduction

Cash Converters Pty Ltd (“CCPL”) currently enjoys immunity from third line forcing pursuant to **Third Line Forcing Notification N70435**. CCPL wishes to make certain minor changes to that notification. CCPL incorporates by reference into this application the information in Annexure A to Notification N70435.

Since Notification N70435, the number of franchise stores in Australia has been reduced due to the acquisition by companies in the Cash Converters Group of stores from franchisees. The current franchised store numbers in Australia totals 101 made up as follows :

Western Australia	14
South Australia	17
Northern Territory	2
Victoria	23
New South Wales	10
ACT	2
Queensland	29
Tasmania	4

2. Current immunity

Under Notification N70435 the following conduct was notified :

- (i) CCPL wishes to require the following with respect to franchise offerings outside of South Australia and the Northern Territory :
- (a) that all existing franchisees who wish to offer cash advances, must use the Mon-e system;
 - (b) that all new franchisees who join the Cash Converters system, must offer cash advances and must use the Mon-e system and may be required by CCPL to offer Western Union agency services and Safrock personal loans;
 - (c) that all existing franchisees who wish to offer cash advances may be required by CCPL to also offer Western Union agency services and Safrock personal loans.
- (ii) CCPL wishes to require the following with respect to franchise offerings within South Australia and the Northern Territory :
- (a) that all existing franchisees who wish to offer cash advances, must use the Quickdraw system;
 - (b) that all new franchisees who join the Cash Converters system, must offer cash advances and must use the Quickdraw system and may be required by CCPL to offer Western Union agency services;
 - (c) that all existing franchisees who wish to offer cash advances may be required by CCPL to also offer Western Union agency services.

3. Changes

Since that notification, the following changes have occurred and CCPL wishes to update the Notification with respect to these changes described as follows :

- (a) the owner of the Quickdraw system who provided the system to franchisees in South Australia and the Northern Territory, has ceased to provide that system and all those franchisees have voluntarily become users of the Mon-e system.
- (b) CCPL no longer requires or expects franchisees to provide Western Union agency services.
- (c) Safrock personal loans have been renamed “Cash Converters personal loans” and the lending company has changed its name from Safrock Finance Group Pty Ltd to Cash Converters Personal Finance Pty Ltd. This company is a Cash Converters Group company wholly owned by Cash Converters International Limited.
- (d) The software system operated by Mon-e Pty Ltd has been integrated into one system combining the Cash Converters personal loan software and the Mon-e cash advance software and the system is provided to franchisees by the two companies together.

4. Proposed Conduct

The basis for the immunity under Notification N70435 has not changed and the same rationale applies. However, the changes listed make it desirable to amend the description of the proposed conduct. Accordingly, CCPL notifies the following revised conduct description :

“CCPL wishes to require the following with respect to franchise offerings in Australia:

- (a) that all existing franchisees who wish to offer cash advances, must use the software system provided by Mon-e Pty Ltd in combination with Cash Converters Personal Finance Pty Ltd;
- (b) that all new franchisees who join the Cash Converters system, must offer cash advances and must use the software system provided by Mon-e Pty Ltd in combination with Cash Converters Personal Finance Pty Ltd and may be required by CCPL to offer Cash Converters Personal Finance Pty Ltd personal loans;
- (c) that all existing franchisees who wish to offer cash advances may be required by CCPL to also offer Cash Converters Personal Finance Pty Ltd personal loans.