

**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMMERCIAL LIST

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT* ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF C INTERNATIONAL INC., C
INTERNATIONAL INCOME FUND, CII TRUST AND THE
COMPANIES LISTED IN SCHEDULE "A"**

Applicants

**MOTION RECORD
(Returnable June 26, 2013)**

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1	Notice of Motion dated June 19, 2013
2	Draft Order

SCHEDULE “A”

Additional Applicants

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holding’s Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

TAB 1

Court File No. CV12-9767-00CL

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**NOTICE OF MOTION
(Returnable June 26, 2013)**

The Applicants will bring a motion before a Judge of the Commercial List on Wednesday, June 26, 2013, at 10:00 a.m. or as soon after that time as the matter may be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

1. **THE APPLICANTS MAKE A MOTION FOR AN ORDER** substantially in the form attached at Tab 2 of the Motion Record, *inter alia*:
 - (a) abridging the time for and validating the service of this Notice of Motion, the Ninth Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**"), to be filed (the "**Monitor's Ninth Report**") and the Motion Record and dispensing with further service thereof;
 - (b) extending the Stay Period (as defined in the Initial Order granted by this Honourable Court in these proceedings on June 25, 2012 (the "**Initial Order**")) to December 6, 2013; and
 - (c) such further and other relief as counsel may request and this Honourable Court deems just.

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2. THE GROUNDS FOR THE MOTION ARE:

- (a) Unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Monitor's Ninth Report or in the Initial Order;
- (b) On June 25, 2012, this Honourable Court granted the Initial Order, *inter alia*: (i) granting a stay of proceedings under the CCAA against the Applicants and C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "**CCAA Parties**"), and the subsidiaries of the CCAA Parties that are also party to agreements to which the CCAA Parties are parties; (ii) appointing FTI Consulting Canada Inc. as the Monitor of the CCAA Parties in these CCAA proceedings; and (iii) appointing CRW International ULC, formerly Cinram International ULC ("**CRW**"), as the foreign representative of the CCAA Parties;
- (c) The stay of proceedings pursuant to the Initial Order was granted to July 25, 2012, and has been subsequently extended by Orders of this Honourable Court to June 28, 2013;
- (d) On July 12, 2012, this Honourable Court made an order (the "**Approval and Vesting Order**"), *inter alia*: (i) approving the sale of substantially all of the property and assets used in connection with the business carried on by C International Income Fund, formerly Cinram International Income Fund, and its direct and indirect subsidiaries (collectively, the "**Company**") in North America contemplated by the asset purchase agreement between C International Inc., formerly Cinram International Inc. ("**CII**"), and Cinram Group, Inc., formerly Cinram Acquisition, Inc. (the "**Purchaser**"), dated June 22, 2012 (the "**Asset Purchase Agreement**"), and the transactions contemplated thereunder, the "**Asset Sale Transaction**"; and (ii) approving the sale of the shares of Cooperatie Cinram Netherlands UA pursuant to the share purchase offer dated June 22, 2012 (the "**Share Purchase Offer**") provided by the Purchaser to CII and 1362806 Ontario Limited on the terms of the form of share purchase agreement appended to the Share Purchase Offer (the transaction contemplated thereunder, the "**Share Sale Transaction**");

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- (e) On July 25, 2012, CRW, in its capacity as the foreign representative for CII and each of the Applicants that are U.S. entities (collectively, the “**U.S. Debtors**”), obtained an order under chapter 15 of title 11 of the United States Code, as amended from time to time (the “**Bankruptcy Code**”), from the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”), *inter alia*, recognizing on a final basis these CCAA proceedings as the “foreign main proceedings” of the CCAA Parties and recognizing on a final basis the Initial Order;
- (f) On July 25, 2012, CRW, in its capacity as foreign representative for the U.S. Debtors, obtained an order under chapter 15 of the Bankruptcy Code from the U.S. Court, *inter alia*, recognizing the Approval and Vesting Order, authorizing the assumption and assignment of certain executory contracts and unexpired leases, and granting certain related relief;
- (g) The Asset Sale Transaction closed on August 31, 2012 and the Share Sale Transaction closed on February 4, 2013;
- (h) On April 10, 2013, this Honourable Court made an order (the “**Equipment Sale Approval and Vesting Order**”), *inter alia*, approving the sale of the Equipment (as defined in the Equipment Sale Approval and Vesting Order) by Cinram Wireless LLC (“**Wireless**”) to Motorola Mobility LLC, representing a sale of substantially all of the assets of Wireless (the “**Wireless Sale Transaction**”);
- (i) On April 22, 2013, CRW, in its capacity as foreign representative for the U.S. Debtors, obtained an order under chapter 15 of the Bankruptcy Code from the U.S. Court, *inter alia*, recognizing the Equipment Sale Approval and Vesting Order;
- (j) The CCAA Parties have been and intend to continue fully cooperating with the Monitor with respect to the provision of required information;

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- (k) Since the issuance of the Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence in carrying out the terms of the Initial Order and subsequent Orders issued by the Court in these CCAA proceedings;
- (l) The CCAA Parties require an extension of the Stay Period to December 6, 2013 to continue to pursue their restructuring efforts, including the sale of the remaining excluded assets not sold pursuant to the Asset Sale Transaction, the Share Sale Transaction and the Wireless Sale Transaction, for the benefit of their stakeholders;
- (m) Creditors will not suffer any material prejudice if the Stay Period is extended;
- (n) The Applicants' motion is supported by the Pre-Petition First Lien Agent;
- (o) The Applicants consulted with the Monitor with respect to the relief sought on this motion and the Monitor will be filing the Monitor's Ninth Report in connection with this motion;
- (p) The provisions of the CCAA and this Honourable Court's equitable and statutory jurisdiction thereunder;
- (q) Rules 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Rec. 194, as amended; and
- (r) Such further and other grounds as counsel may advise and this Honourable Court permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

- (a) the Monitor's Ninth Report and any appendices attached thereto; and

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- (b) such further and other material as counsel may advise and this Honourable Court may permit.

Date: June 19, 2013

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Barristers & Solicitors
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Lawyers for the Applicants

TO: THE ATTACHED SERVICE LIST

SCHEDULE "A"**Additional Applicants**

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holding's Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

SCHEDULE "B"

Service List

Court File No. CV12-9767-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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ARRANGEMENT OF C INTERNATIONAL INC., C INTERNATIONAL
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SCHEDULE "A"**

Applicants

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AND TO	DEPARTMENT OF JUSTICE 130 King Street West, Suite 3400 Toronto, ON M5X 1K6 Fax: (416) 973-0810	Diane Winters Tel: (416) 973-3172 E-mail: diane.winters@justice.gc.ca

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED**

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Proceeding commenced at Toronto

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Lawyers for the Applicants

TAB 2

Court File No. CV12 – 9767 – 00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	WEDNESDAY, THE 26 TH
)	
JUSTICE MORAWETZ)	DAY OF JUNE, 2013

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF C INTERNATIONAL INC., C
INTERNATIONAL INCOME FUND, CII TRUST AND
THE COMPANIES LISTED IN SCHEDULE "A"**

Applicants

ORDER

THIS MOTION, made by C International Inc., formerly Cinram International Inc., C International Income Fund, formerly Cinram International Income Fund, CII Trust and the companies listed in Schedule "A" hereto (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Ninth Report of FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") dated June ●, 2013 (the "**Monitor's Ninth Report**"), and on hearing the submissions of counsel for the Applicants and C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "**CCAA Parties**"), the Monitor, the Pre-Petition First Lien Agent (as defined in the Initial Order granted by this Honourable Court in these proceedings on June 25, 2012 (the "**Initial Order**")) and the Pre-Petition Second Lien Agent (as defined in the Initial Order) and no one appearing and making submissions for any other person served with the Motion Record, although properly served as appears from the affidavit of ● sworn ●, 2013, filed,

DRAFT: 1 - June 19, 2013 at 1:40 PM

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Monitor's Ninth Report and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF THE STAY PERIOD

2. THIS COURT ORDERS that the Stay Period (as defined in the Initial Order) be and is hereby extended to 11:59 p.m. on December 6, 2013.

RECOGNITION

3. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the CCAA Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to CRW International ULC, formerly Cinram International ULC, in any foreign proceeding, or to assist the CCAA Parties and the Monitor and their respective agents in carrying out the terms of this Order.

4. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.

SCHEDULE A**Additional Applicants**

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