

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----	X	
In re	:	Chapter 15
	:	
C INTERNATIONAL INC., et al.,¹	:	Case No. 12-11882 (KJC)
	:	
Debtors in a Foreign Proceeding.	:	Jointly Administered
	:	
-----	X	

**NOTICE OF ENTRY OF THE EQUIPMENT
SALE APPROVAL AND VESTING ORDER**

PLEASE TAKE NOTICE that on April 10, 2013, the Equipment Sale Approval and Vesting Order, a copy of which is annexed hereto as Exhibit 1, and the related Endorsement, a copy of which is annexed hereto as Exhibit 2, were entered by the Ontario Superior Court of Justice in a proceeding commenced under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

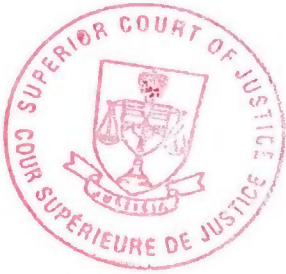
Dated: Wilmington, Delaware

April 10, 2013

SHEARMAN & STERLING LLP Douglas P. Bartner Robert Britton 599 Lexington Avenue New York, NY 10022 Telephone: (212) 848-4000 Facsimile: (646) 848-8174:	YOUNG CONAWAY STARGATT & TAYLOR, LLP /s/ Kenneth J. Enos _____ Pauline K. Morgan (No. 3650) Kenneth J. Enos (No. 4544) Rodney Square 1000 North King Street Wilmington, DE 19801 Telephone: (302) 571-6600 Facsimile: (302) 571-1253
<i>Co-Counsel to the Foreign Representative</i>	

¹ The Debtors in these cases are as follows: (a) C International Inc.; (b) CUSH Inc.; (c) CIHV, Inc.; (d) CDIST LLC; (e) CMFG LLC; (f) CRSMI LLC; (g) Cinram Wireless LLC; (h) IHC Corporation; and (i) One K Studios, LLC. Concurrently with this Motion, the Foreign Representative has filed the *Foreign Representative’s Motion to Amend the Caption of the Debtors’ Cases Pursuant to 11 U.S.C. § 105(a); Fed. R. Bankr. P. 1005, 2002(m), and 2002(n); and Del Bank. L.R. 9004-1(a)* seeking approval of this revised caption of the Debtors’ cases.

EXHIBIT 1



Court File No. CV12-9767-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM)
)
JUSTICE MESBUR)

WEDNESDAY, THE 10TH
DAY OF APRIL, 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

**EQUIPMENT SALE APPROVAL
AND VESTING 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**") for an order:

- (i) approving the sale of the Equipment (as defined in the Termination Agreement) by Cinram Wireless LLC ("**Wireless**") to its principal customer, Motorola Mobility LLC (the "**Purchaser**"), representing a sale of substantially all of the assets of Wireless, contemplated by the termination agreement between Wireless and the Purchaser dated March 14, 2013 (the "**Termination Agreement**") appended to the confidential supplement to the Eighth Report of FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**") dated March 28, 2013 (the "**Monitor's Eighth Report**");

- 2 -

- (ii) authorizing Wireless, *nunc pro tunc*, to complete the sale of Equipment contemplated by the Termination Agreement to the Purchaser (the “**Sale Transaction**”);
- (iii) vesting all of Wireless’ right, title and interest in and to the Equipment in the Purchaser, free and clear of all interests, liens, charges and encumbrances; and
- (iv) sealing the Termination Agreement to be provided to the Court by way of a confidential supplement to the Monitor’s Eighth Report,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor’s Eighth Report, and on hearing the submissions of counsel for the Applicants, the Monitor, the ~~Purchaser~~, the Pre-Petition First Lien Agent and the Pre-Petition Second Lien Agent (each as defined in the Initial Order dated June 25, 2012), no one appearing and making submissions for any other person served with the Motion Record, although properly served as appears from the affidavit of Caroline Descours sworn March 26, 2013, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Sale Transaction is hereby approved, *nunc pro tunc*, and Wireless is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Sale Transaction and for the conveyance of the Equipment to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that all of Wireless’ right, title and interest in and to the Equipment shall hereby vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Morawetz dated June

- 3 -

25, 2012; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Equipment are hereby expunged and discharged as against the Equipment.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Equipment (the “**Net Proceeds**”) shall be paid to the Monitor and shall stand in the place and stead of the Equipment, and that all Claims and Encumbrances relating to the Equipment shall attach to the net proceeds from the sale of the Equipment with the same priority as they had with respect to the Equipment immediately prior to the sale, as if the Equipment had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. The Net Proceeds shall be distributed by the Monitor in accordance with paragraph 12 of the Order of Justice Morawetz dated October 19, 2012 in these proceedings.

5. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicants or Cinram International Limited Partnership (together with the Applicants, the “**CCAA Parties**”) and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the CCAA Parties;

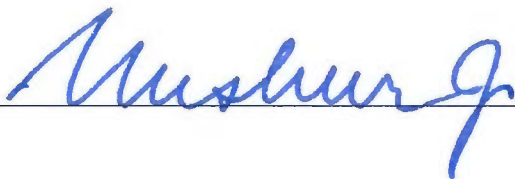
the vesting of the Equipment in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the CCAA Parties and shall not be void or voidable by creditors of the CCAA Parties, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 4 -

6. THIS COURT ORDERS AND DECLARES that the Sale Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

7. THIS COURT ORDERS that the Termination Agreement contained in the confidential supplement of the Monitor's Eighth Report be sealed, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

8. 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 and their 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 as may be necessary or desirable to give effect to this Order or to assist the CCAA Parties and their agents in carrying out the terms of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 10 2013



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

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

Court File No: CV12-9767-00CL

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

**ONTARIO
SUPERIOR COURT OF JUSTICE-
COMMERCIAL LIST**

Proceeding commenced at Toronto

**EQUIPMENT SALE APPROVAL
AND VESTING ORDER**

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
Caroline Descours LSUC#: 58251A

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

EXHIBIT 2

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

Court File No. CV12-9767-00CL

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

Apr 10 / 13

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(Returnable April 10, 2013)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

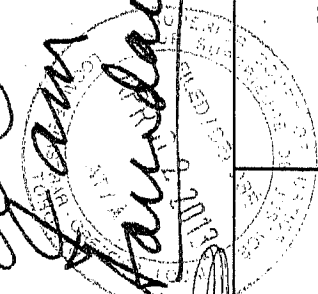
Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
Caroline Descours LSUC#: 58251A

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

April 10/13.

*Ms. Wagner for applicant
Ms. McEachern for
Trust + Successor
lien holder
Ms. Konyukhor for
No the court
Appears in respect for
Approval of an arrangement
Pact & meeting order,
For the reasons set out
in the factum of
Paragraph 21 & 22 & am
Amended all the standard*



-2-

principles have been met.

For the reasons set out in paras 27 - 34 ^{of the factum} I am satisfied a relative order is appropriate here.

Equipment Sale Approval + Vesting order to go in terms of draft order. I have signed, as amended.

M. M. M. G.