



FTI Consulting Canada  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K 1G8  
Main 416.649.8100  
Fax 416.649.8101  
fticonsulting.com

June 26, 2012

To: Whom It May Concern

**Re: Cinram International Inc. ("CII"), Cinram International Income Fund ("Cinram Fund"), and the Cinram entities listed in Schedule "A" (collectively, the " CCAA Parties")**

On June 25, 2012, the CCAA Parties obtained an initial order (the "Initial Order") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"). The Initial Order provides, among other things, a stay of proceedings until July 25, 2012 (the "Stay Period") and may be extended by the Court from time to time. FTI Consulting Canada Inc. was appointed as monitor (the "Monitor") of the CCAA Parties. A copy of the Initial Order and copies of the materials filed in the CCAA proceedings may be obtained at <http://cfcanada.fticonsulting.com/cinram> or on request from the Monitor by calling (416) 649-8096 or 1 855 718-5255 or emailing [cinram@fticonsulting.com](mailto:cinram@fticonsulting.com). Cinram is continuing operations pursuant to the terms of the Initial Order.

Pursuant to the Initial Order, all persons having oral or written agreements with the CCAA Parties or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Parties, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier or service provider and the CCAA Parties and the Monitor, or as may be ordered by this Court. The Initial Order prohibits the CCAA Parties from making payment of amounts relating to the supply of goods or services prior to June 25, 2012, other than certain payments specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against the CCAA Parties and their subsidiaries who are party to contracts and agreements to which the CCAA Parties are also parties (the "Subsidiary Counterparties"), and all rights and remedies of any party against or in respect of the CCAA Parties, the Subsidiary Counterparties or their assets are stayed and suspended except with the written consent of the CCAA Parties and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time.

On June 25, 2012, Cinram Fund announced that it had reached agreements with Najafi Companies for the sale of substantially all of Cinram's assets and businesses in the United States, Canada, the United



Kingdom, France and Germany. A Sale Approval Hearing is scheduled to be held on July 12, 2012, at the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario. Related Court materials will be made available on the Monitor's website.

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at <http://cfcanda.fticonsulting.com/cinram> or by contacting the Monitor at (416) 649-8096 or 1 855 718-5255 or by emailing the Monitor at [cinram@fticonsulting.com](mailto:cinram@fticonsulting.com).



## **SCHEDULE A**

CII Trust

Cinram International General Partner Inc.

Cinram International Limited Partnership

Cinram International ULC

1362806 Ontario Limited

Cinram (U.S.) Holding's Inc.

Cinram, Inc.

IHC Corporation

Cinram Manufacturing LLC

Cinram Distribution LLC

Cinram Wireless LLC

Cinram Retail Services, LLC

One K Studios, LLC