

Court File No. CV-17-11846-00CL

**SEARS CANADA INC.,
AND RELATED APPLICANTS**

SIXTEENTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

April 2, 2018

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**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
SEARS CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC.,
SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., INITIUM
COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR
COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041
ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC. AND
3339611 CANADA INC.

APPLICANTS

**SIXTEENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On June 22, 2017, Sears Canada Inc. (“**Sears Canada**” or “**SCI**”) and a number of its operating subsidiaries (collectively, with Sears Canada, the “**Applicants**”) sought and obtained an initial order (as amended and restated on July 13, 2017, the “**Initial Order**”), under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The relief granted pursuant to the Initial Order was also extended to Sears Connect, a partnership forming part of the operations of the Applicants (and together with the Applicants, the “**Sears Canada Entities**”). The proceedings commenced under the CCAA by the Applicants are referred to herein as the “**CCAA Proceedings**”.

2. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor of the Sears Canada Entities (the “**Monitor**”) in the CCAA Proceedings;
 - (b) granted an initial stay of proceedings against the Sears Canada Entities until July 22, 2017; and
 - (c) scheduled a comeback motion for July 13, 2017 (the “**Comeback Motion**”).
3. Since the date of the Comeback Motion, the stay period has been extended a number of times, most recently to April 27, 2018.
4. On December 8, 2017, the Court issued an Order (the “**Claims Procedure Order**”) approving a claims process for the identification, determination and adjudication of claims of creditors against the Sears Canada Entities and their current and former officers and directors. The Claims Procedure Order also directed the Monitor to assess in detail, with reasonably sufficient particulars and analysis, the validity and quantum of all Intercompany Claims (as defined in the Claims Procedure Order), and to serve on the Service List and file with the Court a report detailing the work performed (the “**Intercompany Claims Report**”) by March 2, 2018.
5. On March 2, 2018, the Court issued an Order extending the deadline to serve the Monitor’s Intercompany Claims Report on the Service List and file it with this Court until April 2, 2018.
6. In connection with the CCAA Proceedings, the Monitor has provided fifteen reports and five supplemental reports (collectively, the “**Prior Reports**”), and prior to its appointment as Monitor, FTI also provided to this Court a pre-filing report of the proposed Monitor dated June 22, 2017 (the “**Pre-Filing Report**”). The Pre-Filing Report, the Prior Reports and other Court-filed documents and notices in these CCAA Proceedings are available on the Monitor’s website at cfcanada.fticonsulting.com/searscanada/ (the “**Monitor's Website**”).

B. TERMS OF REFERENCE

7. In preparing this Sixteenth Report, the Monitor has relied upon audited and unaudited financial information of the Sears Canada Group, the Sears Canada Group's books and records, certain financial information and forecasts prepared by the Sears Canada Group, and discussions with various parties, including senior management ("**Management**") of, and advisors to, Sears Canada (collectively, the "**Information**").
8. Except as otherwise described in this Sixteenth Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Sixteenth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future-oriented financial information reported in or relied on in preparing this Sixteenth Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
10. The Monitor has prepared this Sixteenth Report in connection with its obligations as outlined in paragraph 60 of the Claims Procedure Order.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
12. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the following documents filed as part of the CCAA Proceedings: i) the affidavits of Mr. Billy Wong, the Chief Financial Officer of Sears Canada; ii) the affidavit of Ms. Becky Penrice, Executive Vice President and Chief Operating Office of Sears

Canada; iii) the affidavit of Mr. Philip Mohtadi, General Counsel and Corporate Secretary of Sears Canada; iv) the Pre-Filing Report; and v) the Prior Reports.

C. PURPOSE

13. This Sixteenth Report constitutes the Monitor's Intercompany Claims Report required by the Claims Procedure Order, and provides the Monitor's review of the Intercompany Claims, which are defined by the Claims Procedure Order as follows:

"Intercompany Claim" means any Claim that may be asserted against any of the Sears Canada Entities by or on behalf of any of the Sears Canada Entities or any of their affiliated companies, partnerships, or other corporate entities (and for greater certainty, excluding any Claim that may be asserted against any of the Sears Canada Entities by or on behalf of Sears Holdings Corporation or any of its affiliated companies, partnerships or other corporate entities that are not Sears Canada Entities) and excluding any Monitor Claim.

14. The definition of a Claim as identified in the Claims Procedure Order includes:

- (a) Pre-Filing Claims;
- (b) Post-Filing Claims;
- (c) Restructuring Period Claims; and
- (d) D&O Claims.

15. This Report focuses on the Intercompany Claims that are Pre-Filing Claims or Post-Filing Claims, as no Intercompany Claims were identified that would be categorized as Restructuring Period Claims and D&O Claims, by their nature, cannot be Intercompany Claims.

D. OVERVIEW OF THE INTERCOMPANY CLAIMS

16. For the purposes of this Sixteenth Report, Intercompany Claims will be categorized as either (i) claims that arose in the normal course of business and often on a recurring basis from intercompany transactions (the “**Normal Course Intercompany Transactions**”), or (ii) claims that arose from unique and identifiable intercompany transactions that were completed outside of the normal course of business (the “**Special Intercompany Transactions**”). Normal Course Intercompany Transactions include, but are not limited to, funding transactions for SCI’s subsidiaries, allocation of corporate charges, provision of shared services, and expenditures made on behalf of another entity for, among other things, payroll, inventory, equipment and leasehold improvements. Special Intercompany Transactions refer to the transactions related to a business tax loss utilization structure pursued by SCI and certain of its subsidiaries as discussed in more detail later in this Report.
17. During the CCAA Proceedings, SCI incurred certain charges and made certain payments on behalf of SCI and its subsidiaries. For example, SCI paid professional fees and repaid its obligations under its debtor-in-possession financing (including interest and fees) in relation to the CCAA Proceedings to the benefit of a number of its subsidiaries; however, to date, these costs have not been allocated among SCI and those subsidiaries. As such, it is necessary for SCI to fairly and equitably allocate these costs. This allocation would generate additional intercompany amounts once a methodology is finalized and accepted.
18. There are 14 pre-filing Intercompany Claims (collectively, the “**Intercompany Pre-Filing Claims**”) arising from Normal Course Intercompany Transactions that total approximately \$94 million. Of this amount, approximately \$56 million pertains to claims against (i) 9370-2751 Quebec Inc. (formerly Corbeil Électrique Inc.) (“**Corbeil**”) (\$16 million), (ii) 191020 Canada Inc. (formerly S.L.H. Transport Inc.) (“**SLH**”) (\$21 million), and (iii) 168886 Canada Inc. (“**168886**”) (\$19 million), with the remainder (\$38 million) pertaining to Intercompany Claims against SCI and all of its other subsidiaries excluding Corbeil, SLH, and 168886.

19. There are 11 post-filing Intercompany Claims (collectively, the “**Intercompany Post-Filing Claims**”) that total approximately \$18 million. Of this amount, approximately \$1 million pertains to claims against SLH and the remainder (\$17 million) pertains to Post-Filing Intercompany Claims against SCI and all of its other subsidiaries excluding Corbeil, SLH, and 168886. Most of the \$17 million, pertains to Intercompany Post-Filing Claims of Corbeil (\$6 million) and SLH (\$7 million) against SCI for services provided, or funds contributed, to SCI, which are described in more detail later in this Report and exclude the amounts identified in the “Proposed Allocation of Post-Filing Amounts” section of this Report.
20. Attached as Appendix A is the organizational chart of SCI and its subsidiaries and attached as Appendix B is a matrix that provides an overview of the various entities and the amount of their respective claims against each entity (the “**Normal Course Intercompany Claims Matrix**”).
21. The claim amounts identified in the Normal Course Intercompany Claims Matrix do not account for additional post-filing cost allocations that, as set out in greater detail below, must be allocated.

E. INTERCOMPANY CLAIMS REVIEW CONSIDERATIONS

22. In performing its duties as outlined in the Claims Procedure Order and designing its review process, the Monitor took into account several factors:
 - (a) potential distribution scenarios involving consolidation of all Applicants, partial consolidation of the Applicants or no consolidation of the Applicants;
 - (b) access to information considerations and limitations, including limitations of Sears Canada’s information technology systems;
 - (c) cost considerations; and
 - (d) likely recoveries for creditors of SCI, which could range from 0% to 10% of the face value of claims as noted in the Thirteenth Report. If viewed on a non-consolidated basis separate from SCI (as discussed in the next section below),

recoveries of creditors of Corbeil on the one hand and the SLH Group (as defined below), on the other, could be significantly higher on a percentage basis based upon initial reviews of claims filed thus far pursuant to the Claims Procedure Order.

Potential Distribution Scenarios

23. At present, and in consultation with the Monitor and various stakeholder groups, SCI is considering its options with respect to various distribution scenarios for it and all other Applicants, including the use of a CCAA plan of compromise and arrangement.
24. Given (i) the separate operating businesses, creditor groups, and going-concern sale transactions of Corbeil and the SLH Group (as defined below) relative to SCI and all other Applicants, (ii) the integration of SCI and all of those other Applicants, and (iii) the relatively low value of claims against, and assets of, those other Applicants, the structure of any distribution could include the consolidation of at least SCI and the Applicants other than the SLH Group and Corbeil (such consolidated group being referred to herein as the “**SCI Group**”). Potential consolidation of the SCI Group is further supported by the co-mingling of resources (including personnel and assets) between entities, shared management oversight, and the provision of services between entities without corporate formalities and controls in place, in certain cases, that would be standard if the entities operated independently. Separate and apart from the SCI Group, any distribution structure could potentially involve a consolidation of SLH and 168886 (the “**SLH Group**”) for reasons similar to those described above.
25. Distribution structure and consolidation considerations have a significant impact on the calculation and treatment of Intercompany Claims. For example, if the SCI Group is viewed on a consolidated basis and the SLH Group is also viewed on a consolidated basis, all Intercompany Claims among the various Applicants within the SCI Group would be effectively eliminated and all Intercompany Claims between SLH and 168886 would also be eliminated.

26. The Monitor believes a consolidation of the SCI Group and a consolidation of the SLH Group is a likely outcome. Therefore, the Monitor does not believe it is appropriate to incur significant cost reviewing the various Intercompany Claims within each of these consolidated groups at this time. The Monitor's view on this matter could change if different distribution structures are selected. In those circumstances, the Monitor may see fit to incur the additional costs and prepare a supplement to this Report, which it will serve on the Service List and file with the Court.

Access to Information Considerations and Limitations

27. Due to information system and practical limitations, SCI is unable to determine the gross amounts of the Intercompany Claims owing between the Sears Canada Entities for Normal Course Intercompany Transactions. For example, SCI is not able to run a system report without significant human input and data manipulation that identifies the gross receivable/payable by Entity A in relation to Entity B, and then run the same report to calculate the gross receivable/payable by Entity B to Entity A. Instead, the system calculates the net intercompany receivable/payable between Entity A and Entity B. The system maintains an ongoing balance of net intercompany amounts as ordinary course transactions are entered into the accounting reporting system. As a result, the Monitor has completed its review based on the net intercompany balances owing between the various entities for Normal Course Intercompany Transactions.
28. Given the close relationship and inter-connectedness between SCI and its wholly-owned subsidiaries, the intercompany transactions between entities were in most cases not governed by any formal contractual arrangement. Instead, the Sears Canada Entities recorded their intercompany transactions solely as part of their accounting processes. As a result, the Monitor has completed its review based on information available, which is primarily drawn from the Sears Canada Entities' accounting books and records, discussions with Management, and one identified cost sharing agreement between SCI and SLH.
29. The Sears Canada Entities close their books and records regarding intercompany transactions on a monthly basis, and prepare their financial statements on both a

consolidated and individual legal entity basis, periodically. This process includes the compilation, preparation, and recording of all intercompany transactions and journal entries into the Sears Canada Entities' accounting system. As a result, the Sears Canada Entities compiled and calculated all pre-filing intercompany balances as at June 30, 2017, not as at the Filing Date. Given the current circumstances of the Sears Canada Entities, including limited financial and employee resources, it is not practical for the Sears Canada Entities to incur the significant time and expense to complete a proper accounting cut-off for the intercompany amounts as at the Filing Date. For the purposes of this Sixteenth Report, the Monitor has reviewed and reported on the pre-filing intercompany balances as at June 30, 2017. Given the short period of time between June 22, 2017 and June 30, 2017, and the fact that limited payments were made by the Sears Canada Entities during the week immediately after the initiation of the CCAA Proceedings, the intercompany balances that accrued during that time are estimated to be nominal relative to the total intercompany balances. For post-filing intercompany balances, the Monitor has reported on the balances as at January 31, 2018. Although the vast majority of Sears Canada Entities' operations have ceased, it is expected that certain further intercompany transactions after January 31, 2018 will impact the Post-Filing Claim totals. These amounts are not expected to be material and will be added to the Post-Filing Claim totals following final reconciliation by the Sears Canada Entities of these intercompany balances.

30. Certain of SCI's subsidiaries such as SLH and 168886, have been in business for decades. During that time, millions of intercompany transactions have been recorded, and, in almost all cases, intercompany balances have not been settled on a cash basis or otherwise reconciled. As a result, there are intercompany balances included in SCI's records that could conceivably contain components from decades ago. The table below summarizes the year of formation or acquisition and years of operation for each of SCI's relevant subsidiaries.¹

¹ Certain Applicants have not been listed in the table below as they do not hold and are not subject to any material Intercompany Claims that have been identified by the Monitor.

Entity	Year Incorporated	Years in Operation
2497089 Canada Inc. (“ 2497089 ”)	2015	3 years
S.L.H. Transport Inc. (now 191020 Canada Inc.) (“ SLH ”)	1978	40 years
168886 Canada Inc. (“ 168886 ”)	1989	29 years
173470 Canada Inc. (“ 173470 ”)	1989	29 years
Sears Connect	1987	31 years
Corbeil Électrique Inc. (now 9370-2751 Québec Inc.) (“ Corbeil ”)	2005 – date of Corbeil acquisition	13 years since date of acquisition
Sears Floor Covering Centres Inc. (“ SFCC ”)	2009	9 years
Initium Logistics Services Inc. (“ ILSI ”)	2016	2
Sears Contact Services Inc. (“ SCSI ”)	2016	2
10011711 Canada Inc. (“ 10011711 ”)	2016	2

31. There are typically 30,000 to 60,000 journal entries containing intercompany components that are posted annually. Within each of these entries, there could be hundreds or thousands of individual line entries that contribute to the intercompany amount being recorded. As a result, there are often upwards of hundreds of thousands of individual transactions per year that contribute to the Intercompany Claims total. The Monitor has observed that there is no practical way to validate each individual transaction to form a judgment concerning a particular Intercompany Claim.

Cost - Benefit Considerations

32. Due to the hundreds of thousands of individual transactions per year and decades’ worth of transaction data, depending on the entity, it is logistically unmanageable and

uneconomic for the Applicants to prepare, and the Monitor to review, a comprehensive list of individual transactions contained in the intercompany balances.

33. Furthermore, given the preliminary estimated low recoveries for the SCI Group creditors, it is the Monitor's view that spending a significant amount of the Applicants' resources on professional fees of the Monitor and its legal counsel to review in detail the SCI Group Intercompany Claims is not reasonable or beneficial to stakeholders at this point in the process. Finally, the total quantum of Intercompany Pre-Filing Claims against members of the SCI Group of approximately \$38 million represents a small percentage of the preliminary estimated total unsecured claims against the SCI Group, which could be well in excess of \$2 billion.²

The Review Process

34. In conducting its review of the Intercompany Claims, the Monitor has therefore weighed the cost of reviewing the Intercompany Claims with the likely importance and benefit of such review.
35. The Monitor reviewed all categories of Intercompany Claims identified by the Sears Canada Entities with the purpose of:
 - (a) understanding the basis for the Intercompany Claims within each category;
 - (b) assessing the quantum of the Intercompany Claims in each category based on the books and records of the Sears Canada Entities;
 - (c) assessing whether the categories of Intercompany Claims were valid in principle; and

² Amount represents an estimate for the total unsecured claims that has been prepared based on numerous estimates and assumptions, which could differ significantly from actual results. The total unsecured claims cannot be confirmed until all claims have been reviewed and resolved as part of the claim process.

- (d) identifying any issues with respect to the quantum or validity of the aggregate Intercompany Claims within a category where SCI's records gave reason to conclude that material discrepancies may exist.

36. Specific steps taken by the Monitor in its review included:

- (a) meeting with Management to gain an understanding of the intercompany balances, including their quantum, validity, context and rationale for the Intercompany Claims;
- (b) obtaining and reviewing the year-end intercompany balance summaries for the past five years;
- (c) reconciling the net intercompany balances based on the books and records of the Sears Canada Entities, which have been audited by SCI's external auditors in prior years, and in certain cases, the CRA for tax purposes; and
- (d) obtained available 2016 and 2017 intercompany transaction details based on the books and records of the Sears Canada Entities that give rise to the intercompany amounts recorded in those years:
 - the Monitor selected a sample for each Normal Course Intercompany Transaction category based on Sears Canada's classification of intercompany transactions described above and has reviewed the intercompany transactions selected for the 2016, 2017 pre-filing, and 2017 post-filing period;
 - the Monitor has performed a walkthrough of the sample intercompany transactions selected with the accounting personnel of the Sears Canada Entities to understand the nature of the transaction, understand how the amount recorded was determined, and review the relevant source documentation or support for the intercompany transaction;

- the Monitor reviewed the supporting financial information and documentation for the sample intercompany transactions to confirm that the amounts recorded for the Intercompany Claim were accurate and valid; and
 - the Monitor has performed its own calculations, as applicable, to verify calculations and amounts in support of the Intercompany Claims for sample transactions.
37. For Special Intercompany Transactions, the Monitor and its counsel reviewed the supporting documentation surrounding the transaction in appropriate detail given the relative priority of the claims and potential implications on any distribution arising from such Special Intercompany Transactions.
38. For post-filing amounts identified by the Monitor, including CCAA professional fees and DIP repayment, interest, and fees, a detailed analysis and allocation were developed in consultation with the Sears Canada Entities, their counsel and counsel to the Monitor, based on the methodology discussed further in this Report.

Conclusion

39. Based on the considerations identified and procedures noted above, the Monitor has performed a targeted level of review of the Intercompany Claims that it believes is sufficient at present given the specific circumstances of the Sears Canada Entities and potential creditor recoveries. For clarity, the Monitor has not completed an exhaustive review of all individual intercompany transactions, and the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Intercompany Claims in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Ontario Handbook.
40. The Sears Canada Entities have worked cooperatively with the Monitor to facilitate the review of the Intercompany Claims, and have provided responses and available information in a timely manner.

41. As noted previously, should the Monitor’s view or the circumstances of the Applicants change for any of the reasons outlined, the Monitor may see fit to prepare a supplement to this Report, which it will serve on the Service List and file with the Court.

F. REVIEW OF INTERCOMPANY CLAIMS BY ENTITY

42. In this section of the Report, all claim amounts reflected in the tables are on a net basis between the relevant entities. For the reasons described above and below, the tables in this section do not include Intercompany Pre-Filing Claims in respect of the Special Intercompany Transactions, or the proposed allocation of certain post-filing amounts discussed later in this Report.

Claims of SCI

43. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of SCI against other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-1	SCI	Corbeil	Pre-Filing	\$16,290,774
Pre-2	SCI	168886	Pre-Filing	\$19,479,950
Pre-3	SCI	ILSI	Pre-Filing	\$41,615
Pre-4	SCI	10011711	Pre-Filing	\$264,816
Pre-5	SCI	Sears Connect LP	Pre-Filing	\$217,794
Pre-6	SCI	173470	Pre-Filing	\$351,836
Pre-7	SCI	SCSI	Pre-Filing	\$5,033,597

44. SCI has a claim against Corbeil in the amount of \$16,290,774 for shared services provided by SCI for the benefit of Corbeil including legal, human resources, finance, and other support services. The shared services provided were charged to Corbeil on a monthly basis based on set allocation rates which, depending on the type of shared services rendered would typically be allocated either *pro rata* based on net sales or headcount. The intercompany balance has been rolling since April 2005 and has not

been settled in full on a cash basis by Corbeil since that time. Periodically, Corbeil would transfer excess cash from its operations to SCI, and SCI would reduce the intercompany amount owing accordingly.

45. SCI has a claim against 168886 in the amount of \$19,479,950 for employee payroll paid by SCI on 168886's behalf up to the end of fiscal 2013. 168886 is a wholly-owned subsidiary of SLH that employed approximately 240 people in various provinces (excluding Ontario and Quebec) in connection with the SLH business. Prior to, and up to the end of fiscal 2013, 168886 would overdraw on its bank account to fund employee payroll, and the amount overdrawn would consolidate up to and be settled by SCI's primary operating account, which would result in an intercompany amount owing. If services were provided by 168886 to SCI, they would be recorded against the amount owing; however, these services were infrequent and of nominal value. From 2014 to present, 168886 was not allowed to overdraw on its bank account, and instead, SCI transferred cash to SLH who would then fund 168886's payroll. As a result and since amounts paid by SCI on behalf of 168886 were not settled on a cash basis, the intercompany balance has remained at approximately \$19 million since 2014.
46. SCI has a claim against ILSI in the amount of \$41,615 for shared services provided by SCI for the benefit of ILSI including information technology, legal, human resources, finance and treasury, and other support services. The shared services provided were charged to ILSI based on set rates for the amount of time spent, and the intercompany amount owing has not been settled on a cash basis since ILSI's incorporation in 2016.
47. SCI has a claim against 10011711, which was formed to operate the ship-to-home business unit, in the amount of \$264,816 for shared services provided by SCI for the benefit of 10011711 including information technology, legal, human resources, finance and treasury, and other support services. The shared services provided were charged to 10011711 based on set rates for the amount of time spent, and the intercompany amount owing has not been settled on a cash basis since 10011711's incorporation in 2016.

48. SCI has a claim against Sears Connect in the amount of \$217,794. Sears Connect is a general partnership between SCI and 173470 with SCI owning 99% and 173470 owning 1%. Sears Connect sold mobile phones, phone plans, and long distance plans with various third parties. Throughout the year, SCI would collect cash receipts and also make certain disbursements (including operating expenses and taxes) on behalf of Sears Connect, which gives rise to an intercompany amount between SCI and Sears Connect. This balance could be either a receivable or payable depending on business results and circumstances in any given year. At the end of the year, Sears Connect is required to distribute its net income to its partners, and this distribution is applied against the intercompany amount. The remaining intercompany balance was then carried forward to the following year and was not settled on a cash basis.
49. SCI has a claim against 173470 in the amount of \$351,836. SCI manages and issues income tax payments owing by 173470, which results in an intercompany balance owing from 173470 to SCI.
50. SCSi operated two call centres located in New Brunswick for SCI. At the time of the CCAA filing, SCSi employed approximately 300 people and was in the process of hiring upwards of 165 additional employees to staff the two call centres that were opened in March 2017 and May 2017. SCI has a claim against SCSi in the amount of \$5,033,597 for (i) fixtures and leasehold improvements paid by SCI on behalf of SCSi; (ii) payroll paid by SCI on behalf of SCSi; and (iii) shared services provided, including information technology, human resources, cash management, taxation, procurement, and other support services. The shared services provided were charged to SCSi based on set rates for the amount of time spent, and the intercompany amount owing has not been settled on a cash basis since SCSi began operations in March 2017.
51. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of SCI against other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-1	SCI	168886	Post-Filing	\$16,444
Post-2	SCI	ILSI	Post-Filing	\$222,345
Post-3	SCI	10011711	Post-Filing	\$9,805
Post-4	SCI	SCSI	Post-Filing	\$3,376,248

52. Services rendered post-filing to 168886, ILSI, 10011711, and SCSI that generated the Intercompany Post-Filing Claims are the same as those that were rendered pre-filing.

Claims of Corbeil

53. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of Corbeil against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-8	Corbeil	SFCC	Pre-Filing	\$132,737

54. Corbeil has a claim against SFCC in the amount of \$132,737 for shared services rendered. The provision of these services ceased when SFCC ceased operation in 2012 and the net amount remaining is the legacy amount owing that was not settled on a cash basis between Corbeil and SFCC.

55. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of Corbeil against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-5	Corbeil	SCI	Post-Filing	\$5,993,318

56. Corbeil has a claim against SCI in the amount of \$5,993,318. As Corbeil generated excess cash from operations, Corbeil would periodically transfer excess cash to SCI and record an intercompany amount that would then be offset against amounts owing

for shared services rendered by SCI to Corbeil. This amount represents the net balance owing during the post-filing period; however, it excludes certain balances and amounts that were paid by SCI for the benefit of Corbeil during the CCAA Proceedings, which would reduce the post-filing amount owing, and excludes any adjustment for the portion of the DIP financing repaid from Corbeil’s asset sale proceeds. Please refer to the section of this Report titled “Proposed Allocation of Post-Filing Amounts” for additional information regarding additional post-filing amounts that should be allocated to Corbeil.

Claims of SLH

57. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of SLH against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-9	SLH	SCI	Pre-Filing	\$30,147,533
Pre-10	SLH	10011711	Pre-Filing	\$3,189

58. SLH has a claim against SCI in the amount of \$30,147,533. The services provided by SLH to SCI that resulted in this balance included the following:

- (a) transportation services from distribution centres to stores, distribution centres to terminals, agent stores, and yard-to-dock trailer movement;
- (b) logistics services, including receipt of goods from vendors and consolidation of shipments within a market for distribution to retail channels; and
- (c) international freight bill payments to freight vendors.

59. The net amount owed by SCI to SLH as described in the table above is partially offset by an amount owed by SLH to SCI in relation to shared services provided by SCI for the benefit of SLH, including legal, HR, finance, and other support services.

60. The Monitor was advised by Management that transportation, logistics, and international freight services provided by SLH were charged to SCI at the equivalent of market rates, as reviewed on a periodic basis. The Monitor was also informed that shared services provided by SCI to SLH were allocated on a monthly basis based on set rates to approximate the amount of time spent and employee headcount. The intercompany amount owing has not been trued up on a cash basis since at least 2001 when SCI completed a system changeover.
61. SLH has a claim against 10011711 in the amount of \$3,189. SLH provided transportation services, as required, to 10011711 in relation to its ship-to-home business. This amount represents the net balance owing for services rendered by SLH to 10011711.
62. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of SLH against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-6	SLH	SCI	Post-Filing	\$7,413,221
Post-7	SLH	10011711	Post-Filing	\$14,402

63. Services rendered by SLH post-filing to SCI and 10011711 in the amount of \$7,413,221 and \$14,402, respectively, are the same as those that were rendered pre-filing.

Claims of 168886

64. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of 168886 against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-11	168886	SLH	Pre-Filing	\$21,399,694

65. 168886 has a claim against SLH in the amount of \$21,399,694 for trucking services, dock work, maintenance, and payroll administrative services provided to SLH in relation to the 240 employees of 168886 that serviced the SLH business. Services charged by 168886 to SLH were based on actual costs incurred, or other reasonable cost allocation methodologies plus a mark-up of 2%. The intercompany amount owing was not settled on a cash basis and was instead applied against the intercompany balance and is net of any amounts owing by 168886 to SLH based upon the payroll arrangements described above.

66. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of 168886 against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-8	168886	SLH	Post-Filing	\$720,899

67. Services rendered post-filing to SLH that generated the Intercompany Post-Filing Claim are the same as those that were rendered pre-filing.

Claims of Sears Connect

68. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of Sears Connect LP against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-9	Sears Connect	SCI	Post-Filing	\$90,079

69. Sears Connect has a claim against SCI in the amount of \$90,079. As discussed above, SCI collects cash receipts and also makes certain disbursements on behalf of Sears Connect on an on-going basis. The amount owing represents the net amount owing to Sears Connect by SCI during the post-filing period.

Claims of 173470

70. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of 173470 against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-10	173470	SCI	Post-Filing	\$5,992

71. 173470 has a claim against SCI in the amount of \$5,992. During the post-filing period, SCI deposited a cheque that was made to the order of 173470. SCI did not settle the amount owing on a cash basis, and instead recorded the intercompany amount.

Claims of SFCC

72. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of SFCC against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-12	SFCC	SCI	Pre-Filing	\$459,097

73. SFCC has a claim against SCI in the amount of \$459,097. When SFCC had active operations prior to and during 2012, SCI would collect all credit card receipts on behalf of SFCC, resulting in an intercompany amount owing to SFCC. SCI also provided shared services for SFCC, which would reduce the intercompany amount owing by SCI to SFCC. Since 2012, SCI has also collected miscellaneous cash receipts owed to SFCC. SCI and SFCC have not settled any of the amounts collected or owing on a cash basis, and the net amount remaining represents the balance owing as at the Filing Date.

74. Please refer to the table below for an overview of all Intercompany Post-Filing Claims of SFCC against the Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Post-11	SFCC	SCI	Post-Filing	\$4,123

75. Since the Filing Date, SCI has collected miscellaneous cash receipts in the amount of \$4,123 on behalf of SFCC, and has recorded the intercompany amount owing accordingly.

Claims of ILSI

76. Please refer to the table below for an overview of all Intercompany Pre-Filing Claims of ILSI against the other Sears Canada Entities:

Ref. #	Claimant	Debtor	Type of Claim	Amount
Pre-13	ILSI	SLH	Pre-Filing	\$15,793
Pre-14	ILSI	10011711	Pre-Filing	\$491

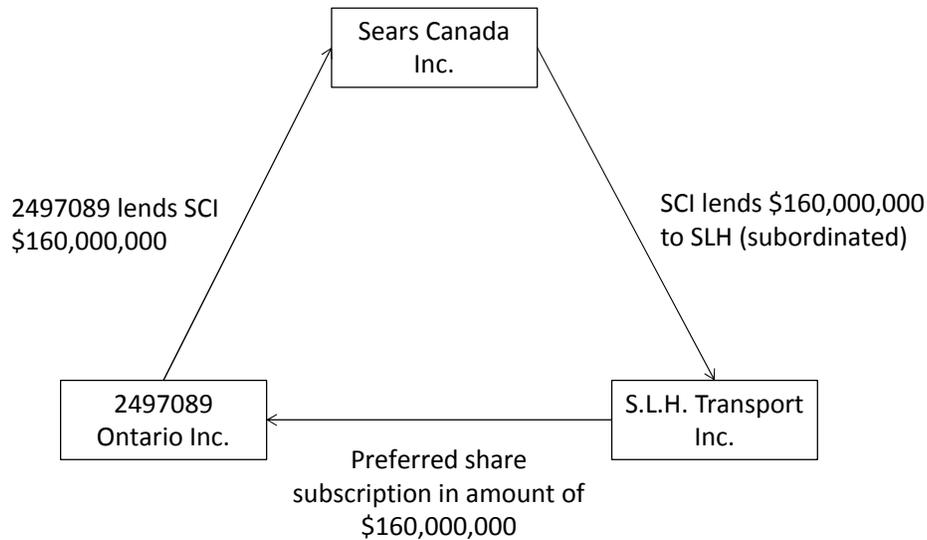
77. ILSI has a claim against SLH in the amount of \$15,793. ILSI provided services to certain customers of SLH; however, the customers remitted payment to SLH rather

than ILSI. Instead of settling the amount on a cash basis, an intercompany transaction was recorded.

78. ILSI has a claim against 10011711 in the amount of \$491. Periodically, 10011711 would use certain space leased by ILSI. ILSI would charge 10011711 for the use of the premises. Instead of settling the amount on a cash basis, an intercompany transaction was recorded.

G. SPECIAL INTERCOMPANY TRANSACTIONS

79. In January 2016, SCI implemented a business loss utilization strategy that resulted in the following:
- (a) SCI formed a newly-incorporated subsidiary in the Province of Ontario on December 21, 2015 (“**2497089**”);
 - (b) SCI implemented a business loss utilization structure with SLH on January 29, 2016 whereby SLH borrowed \$160,000,000 from SCI (the “**SLH Transport Loan**”) in return for the issuance of a promissory note in the amount of \$160,000,000 to SCI (the “**SLH Transport Loan Note**”) that states that the payment of principal, interest, and other amounts are subordinated in right of payment to the prior payment of all other present and future indebtedness and other obligations of SLH;
 - (c) SLH used the proceeds from the SLH Transport Loan Note to subscribe for \$160,000,000 of preferred shares in 2497089; and
 - (d) 2497089 then used the proceeds from the preferred share subscription to lend \$160,000,000 on an interest-free basis to SCI (the “**SCI Loan**”) evidenced by a promissory note with no interest or stated maturity date that is payable on demand.



80. Due to the events noted above, the following Intercompany Pre-Filing Claims are generated:

- (a) the SLH Transport Loan with a principal amount of \$160,000,000 results in an Intercompany Pre-Filing Claim of SCI against SLH in the amount of \$181,084,931 (including accrued interest up to June 30, 2017) that is subordinated to all other debts of SLH;
- (b) the SLH preferred share subscription does not create an Intercompany Claim due to the nature of the transaction; and
- (c) the SCI Loan with a principal and current amount owing of \$160,000,000 represents an Intercompany Pre-Filing Claim of 2497089 against SCI.

Ref. #	Claimant	Debtor	Type of Claim	Amount
Special-1	SCI	SLH	Subordinated Pre-Filing	\$181,084,931
Special-2	2497089	SCI	Pre-Filing	\$160,000,000

81. The SLH Transport Loan is contractually subordinated to all other claims against SLH. SCI is the sole shareholder of SLH and would receive any recoveries after payment of

non-subordinated claims whether or not the SLH Transport Loan is valid. As a result, the Monitor has not reviewed this amount in any further detail.

82. The Monitor has also not reviewed the SCI Loan in any further detail given the potential consolidation of 2497089 with SCI for distribution purposes– eliminating this Intercompany Claim.

H. PROPOSED ALLOCATION OF POST-FILING AMOUNTS

83. During its review of the Intercompany Claims, the Monitor noted that professional fees incurred during the CCAA Proceedings, DIP repayment obligations, and DIP fees and interest, had not yet been allocated amongst the Sears Canada Entities and were therefore not yet accounted for as part of the Intercompany Claims. Effectively, all of these costs were, or are, continuing to be paid by SCI with the exception of one DIP repayment that was made from the Monitor’s trust account using sale proceeds received by Corbeil from the sale of its business. The Monitor undertook a review of these costs and developed a proposed methodology that it believes equitably allocates a portion of these costs to Corbeil and the SLH Group. The Monitor has discussed this proposed approach with SCI and its counsel who are of the view that this approach is reasonable. Further allocation to other Sears Canada Entities can be undertaken if this becomes necessary.
84. The Monitor believes the following allocation methodologies are reasonable:
 - (a) *CCAA professional fees*
 - (i) DIP Lender Advisor Fees: fees would be allocated based on the relative amount of DIP funding utilized by the SCI Group, Corbeil and the SLH Group, respectively. The actual usage of DIP funding by each of the three groups best represents value derived from the DIP financing by each of these groups and the costs that should be allocated to them;

- (ii) Sears Canada Advisors and Monitor Fees (excluding fees of the Financial Advisor to the Applicants):
- (A) fees incurred up to and including the week ending January 6, 2018: fees would be allocated based on the relative amount of sale proceeds for each of the SCI Group, Corbeil, and the SLH Group. Sale proceeds for the SCI Group include proceeds from the store liquidation sales. Fees would be allocated using transaction size as a proxy for the complexity of the transaction and related time spent by professionals, which is representative for the SCI Group, Corbeil and SLH transactions; and
- (B) fees incurred after the week ending January 6, 2018: fees would be allocated based on the size of the relative unsecured claim pools of the SCI Group, Corbeil, and the SLH Group. As of January 6, 2018, the transaction work for Corbeil and the SLH Group was effectively complete. The relative size of their respective unsecured claim pools is more representative of professional time incurred for each of the various groups as time spent with respect to these entities was (and will be) most likely related to claim and claim process issues;
- (iii) Financial Advisor to Applicants: the fees of the Financial Advisor to the Applicants is comprised of several distinct components, some of which can be directly attributed to a specific entity while others are applicable to all entities. Distinct fee components that can be directly attributed to an entity are proposed to be allocated at 100% to the relevant entity. Fee components applicable to all entities are proposed to be allocated proportionately based on sale proceeds realized by such entities. Similar to the Sears Canada advisors and Monitor fees, Financial Advisor fees are proposed to be allocated using transaction size as a proxy for the complexity of the transaction and related time spent by the Financial

Advisor, which is representative for the SCI Group, Corbeil and SLH transactions. Financing sourcing fees charged by the Financial Advisor to the Applicants, are proposed to be allocated according to the actual use of DIP funds by the relevant entity as a percentage of the total DIP funding used;

- (iv) Employee Representative Counsel: fees are proposed to be allocated based on headcount as at the date of filing. In absence of other specific information indicating that certain employers required more of Employee Representative Counsel's time than others, this proposed allocation is, in the Monitor's view, the most reasonable allocation; and
- (v) Pension and Retiree Representative Counsel: fees are proposed to be allocated based on participants in the defined benefit pension plan. In absence of any other specific information, the most reasonable assumption is that the amount of time spent by Pension and Retiree Representative Counsel on issues relating to employees of a particular Sears Canada Entity is proportionate to the number participants in the defined benefit pension plan employed by that Sears Canada Entity. The Monitor notes that only Sears Canada and SLH employed participants in the defined benefit pension plan;

(b) *DIP repayment, and DIP interest and fees:* DIP repayments and DIP interest and fees, are proposed to be allocated based on the relative amount of DIP funding utilized by the SCI Group, Corbeil and the SLH Group. Similar to the DIP Lender Advisor fees, the usage of DIP funding by each of the three groups best represents the benefit received by each group from the DIP Facility and therefore, the best allocation method for the DIP repayment and DIP interest and fees:

(i) DIP repayments: SCI provided interim funding to Corbeil and the SLH Group during the post-filing period. Approximately \$5.3 million and \$12.7 million of interim funding was provided to Corbeil and SLH, respectively. As SCI operated with negative cash flow from operations during the post-filing period, one can extrapolate that SCI only had sufficient liquidity to provide interim funding to Corbeil and SLH as a result of its access to DIP financing. As a result, it is reasonable for Corbeil and SLH to pay their share of the liabilities related to the portion of the DIP funding they utilized during the CCAA Proceedings:

(A) as noted previously, amounts of approximately \$25.7 million and \$0.3 million of Corbeil sale proceeds were used to pay outstanding obligations of the Sears Canada Entities under the DIP Facility and professional fees, respectively. This amount was paid out of the Corbeil sale proceeds only because those proceeds happened to be the proceeds available at that time to complete the DIP repayment. Relative to the amount of DIP funding utilized by Corbeil, Corbeil paid approximately \$20 million more than the amount it was responsible for based on the allocation methodology;

- (ii) DIP interest and fees: DIP interest and fees are proposed to be allocated based on the amount of DIP funding utilized by Corbeil and the SLH Group as a percentage of the total DIP funding received by the Sears Canada Entities. This methodology best represents how the costs of borrowing should be allocated to Corbeil and the SLH Group as a result of their use of the DIP Facility.

85. Based on the methodologies noted above, the following post-filing amounts would be allocated to Corbeil and the SLH Group:

Ref. #	Claimant	Debtor	Type of Claim	Category	Amount
Allocation-1	SCI	SLH	Post-Filing	CCAA Professional Fees	\$1,777,966+contingent <i>(Note 1)</i>
Allocation-2	SCI	SLH	Post-Filing	DIP allocation, <u>plus</u> interest and fees	\$13,719,111
Allocation-3	SCI	Corbeil	Post-Filing	CCAA Professional Fees	\$2,413,151 +contingent <i>(Note 1)</i>
Allocation-4	SCI	Corbeil	Post-Filing	DIP allocation, <u>plus</u> interest and fees	\$5,773,823
Allocation-5	Corbeil	SCI	Post-Filing	Corbeil DIP repayment and professional fee payment	\$26,022,128

Note 1: The amounts provided for CCAA Professional Fees are for the period from the Filing Date to March 24, 2018. These amounts are marked as contingent pending receipt of all invoices and finalization of the allocation methodology calculations, inputs and analysis.

I. SUMMARY OF RESULTS OF THE MONITOR'S REVIEW AND RECOMMENDATION

86. As identified by the Sears Canada Entities, reviewed by the Monitor, and summarized in the table below, there were 14 Intercompany Pre-Filing Claims (on a net basis) generated from Normal Course Intercompany Transactions totalling \$93,838,916.³

Ref. #	Claimant	Debtor	Type of Claim	Amount (CAD)	Contingent Component
Pre-1	SCI	Corbeil	Pre-Filing	\$16,290,774	No
Pre-2	SCI	168886	Pre-Filing	\$19,479,950	No
Pre-3	SCI	ILSI	Pre-Filing	\$41,615	No
Pre-4	SCI	10011711	Pre-Filing	\$264,816	No
Pre-5	SCI	Sears Connect	Pre-Filing	\$217,794	No
Pre-6	SCI	173470	Pre-Filing	\$351,836	No
Pre-7	SCI	SCSI	Pre-Filing	\$5,033,597	No
Pre-8	Corbeil	SFCC	Pre-Filing	\$132,737	No
Pre-9	SLH	SCI	Pre-Filing	\$30,147,533	No
Pre-10	SLH	10011711	Pre-Filing	\$3,189	No
Pre-11	168886	SLH	Pre-Filing	\$21,399,694	No
Pre-12	SFCC	SCI	Pre-Filing	\$459,097	No
Pre-13	ILSI	SLH	Pre-Filing	\$15,793	No
Pre-14	ILSI	10011711	Pre-Filing	\$491	No
TOTAL				\$93,838,916	

³ The Claims Procedure Order provides that "nothing in the Monitor's Intercompany Claims Report shall bind the Court with respect to its determination of the Intercompany Claims as the Court sees fit, including without limitation, the validity, priority or quantum of such Intercompany Claim." This is applicable for all Intercompany Claims noted in this Sixteenth Report.

87. As identified by the Sears Canada Entities, reviewed by the Monitor, and summarized in the table below, there were 11 Intercompany Post-Filing Claims (on a net basis) totalling \$17,866,876.

Ref. #	Claimant	Debtor	Type of Claim	Amount (CAD)	Contingent Component
Post-1	SCI	168886	Post-Filing	\$16,444	Yes
Post-2	SCI	ILSI	Post-Filing	\$222,345	Yes
Post-3	SCI	10011711	Post-Filing	\$9,805	Yes
Post-4	SCI	SCSI	Post-Filing	\$3,376,248	Yes
Post-5	Corbeil	SCI	Post-Filing	\$5,993,318	Yes
Post-6	SLH	SCI	Post-Filing	\$7,413,221	Yes
Post-7	SLH	10011711	Post-Filing	\$14,402	Yes
Post-8	168886	SLH	Post-Filing	\$720,899	Yes
Post-9	Sears Connect LP	SCI	Post-Filing	\$90,079	Yes
Post-10	173470	SCI	Post-Filing	\$5,992	Yes
Post-11	SFCC	SCI	Post-Filing	\$4,123	Yes
TOTAL				\$17,866,876	

88. As identified by the Sears Canada Entities, reviewed by the Monitor, and summarized in the table below, there were 2 Special Intercompany Transactions totalling \$341,084,931.

Ref. #	Claimant	Debtor	Type of Claim	Amount (CAD)	Contingent Component
Special-1	SCI	SLH	Subordinated Pre-Filing	\$181,084,931	No
Special-2	2497089	SCI	Pre-Filing	\$160,000,000	No
TOTAL				\$341,084,931	

89. As summarized in the table below, there were 5 post-filing amounts that would be allocated to Corbeil and SLH totalling \$49,706,179.

Ref. #	Claimant	Debtor	Type of Claim	Category	Amount	Contingent Component
Allocation-1	SCI	SLH	Post-Filing	CCAA Professional Fees	\$1,777,966	Yes
Allocation-2	SCI	SLH	Post-Filing	DIP allocation, <u>plus</u> interest and fees	\$13,719,111	No
Allocation-3	SCI	Corbeil	Post-Filing	CCAA Professional Fees	\$2,413,151	Yes
Allocation-4	SCI	Corbeil	Post-Filing	DIP allocation, <u>plus</u> interest and fees	\$5,773,823	No
Allocation 5	Corbeil	SCI	Post-Filing	Corbeil DIP repayment and professional fee payment	\$26,022,128	No
TOTAL					\$49,706,179	

90. For the reasons set out in this Report, the Monitor does not believe that further steps to evaluate the validity of the Intercompany Claims is warranted at this time. The Monitor recommends accepting the Intercompany Claims at the values set out in the table below without additional review.

The Monitor respectfully submits to the Court this, its Sixteenth Report.

Dated this 2nd day of April, 2018.

FTI Consulting Canada Inc.
in its capacity as Monitor of
the Sears Canada Entities

A handwritten signature in black ink that reads "Paul Bishop". The signature is written in a cursive style with a large initial "P".

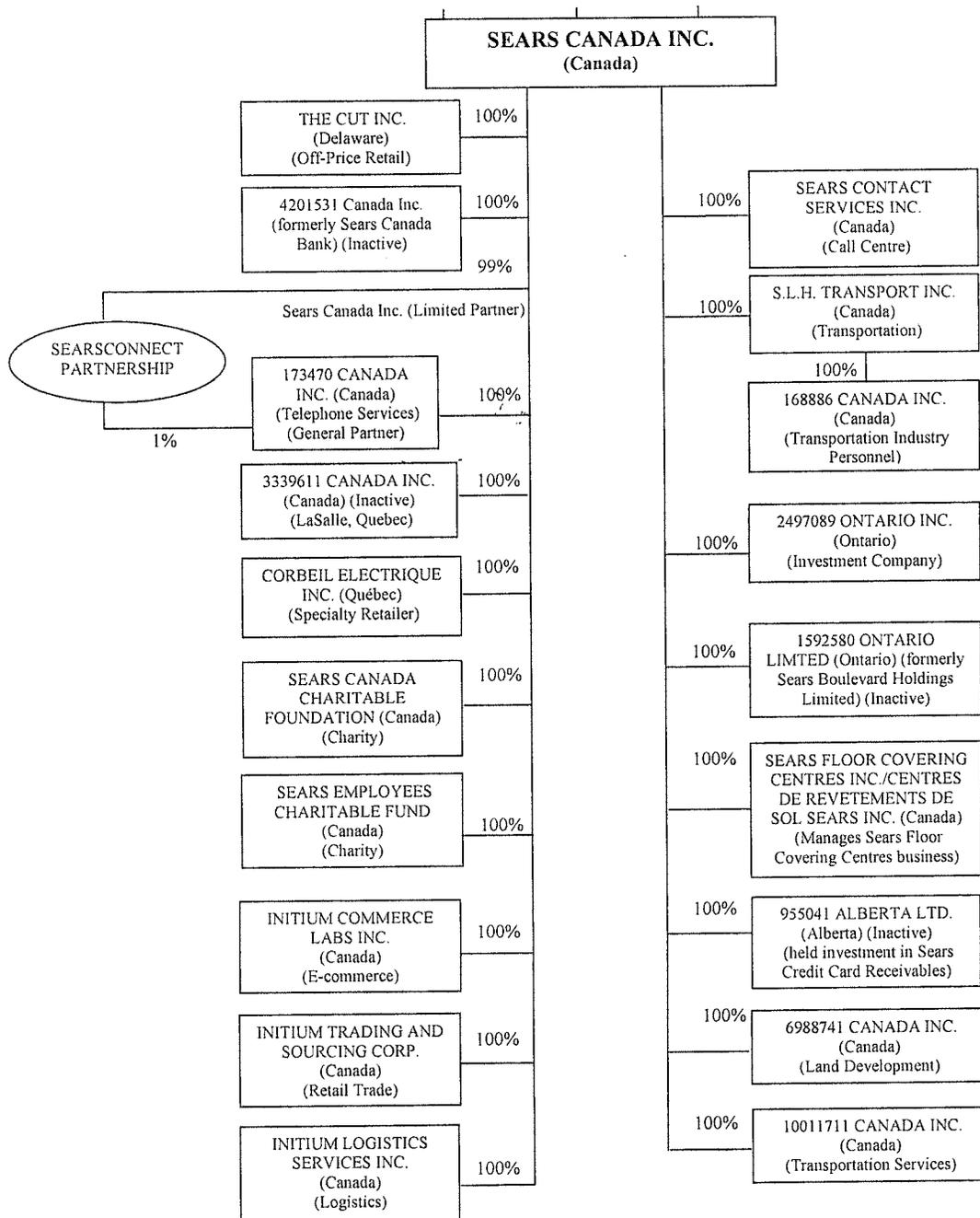
Paul Bishop
Senior Managing Director

A handwritten signature in blue ink that reads "Greg Watson". The signature is written in a cursive style with a large initial "G".

Greg Watson
Senior Managing Director

APPENDIX A
ORGANIZATIONAL CHART

**SEARS CANADA INC.
ORGANIZATIONAL CHART**



APPENDIX B
NORMAL COURSE INTERCOMPANY CLAIMS MATRIX⁴

Normal Course Intercompany Claims - PRE-FILING (as at June 30, 2017)											
ENTITY	SCI	CORBEIL	SLH	168886	SEARS CONNECT LP	173470	SFCC	ILSI	10011711	SCSI	TOTAL
SCI	-	16,290,774	-	19,479,950	217,794	351,836	-	41,615	264,816	5,033,597	41,680,382
CORBEIL	-	-	-	-	-	-	132,737	-	-	-	132,737
SLH	30,147,533	-	-	-	-	-	-	-	3,189	-	30,150,721
168886	-	-	21,399,694	-	-	-	-	-	-	-	21,399,694
SEARS CONNECT LP	-	-	-	-	-	-	-	-	-	-	-
173470	-	-	-	-	-	-	-	-	-	-	-
SFCC	459,097	-	-	-	-	-	-	-	-	-	459,097
ILSI	-	-	15,793	-	-	-	-	-	491	-	16,284
10011711	-	-	-	-	-	-	-	-	-	-	-
SCSI	-	-	-	-	-	-	-	-	-	-	-
TOTAL	30,606,630	16,290,774	21,415,487	19,479,950	217,794	351,836	132,737	41,615	268,496	5,033,597	93,838,915

Normal Course Intercompany Claims - POST-FILING (for the period from June 30, 2017 to January 31, 2018)											
ENTITY	SCI	CORBEIL	SLH	168886	SEARS CONNECT LP	173470	SFCC	ILSI	10011711	SCSI	TOTAL
SCI	-	-	-	16,444	-	-	-	222,345	9,805	3,376,248	3,624,842
CORBEIL	5,993,318	-	-	-	-	-	-	-	-	-	5,993,318
SLH	7,413,221	-	-	-	-	-	-	-	14,402	-	7,427,623
168886	-	-	720,899	-	-	-	-	-	-	-	720,899
SEARS CONNECT LP	90,079	-	-	-	-	-	-	-	-	-	90,079
173470	5,992	-	-	-	-	-	-	-	-	-	5,992
SFCC	4,123	-	-	-	-	-	-	-	-	-	4,123
ILSI	-	-	-	-	-	-	-	-	-	-	-
10011711	-	-	-	-	-	-	-	-	-	-	-
SCSI	-	-	-	-	-	-	-	-	-	-	-
TOTAL	13,506,732	-	720,899	16,444	-	-	-	222,345	24,206	3,376,248	17,866,876

⁴ In this table, the named entity listed in the first column on the left has a claim against the applicable entity listed in the top row of the table. For example: (i) in the pre-filing period, 168886 has a claim against SLH in the amount of \$21,399,694; and (ii) in the post-filing period, SCI has a claim against ILSI in the amount of \$222,345

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
SEARS CANADA INC., *et al.*

Court File No. CV-17-11846-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**SIXTEENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

NORTON ROSE FULBRIGHT CANADA LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis, LSUC#: 36851T

Tel: +1 416.216.4815

Virginie Gauthier, LSUC#: 41097D

Tel: +1 416.216.4853

Alan Merskey, LSUC#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSUC#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

virginie.gauthier@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., in its
capacity as Monitor