

**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.

**MOTION RECORD OF THE MONITOR
(Fourth Fee Approval and Stay Extension)
(returnable April 24, 2019)**

April 17, 2019

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TO: THE SERVICE LIST

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SUPERIOR COURT OF JUSTICE
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**ONTARIO
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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., 9845488 CANADA 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

**NOTICE OF MOTION
(Fourth Fee Approval and Stay Extension Order
returnable April 24, 2019)**

FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**") in the proceedings of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List), on Wednesday, April 24, 2019, at 10:00 am or as soon after that time as the motion can be heard, at the courthouse located at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR

- 1 An Order, substantially in the form included in the Motion Record (the "**Fourth Fee Approval and Stay Extension Order**"), *inter alia*:

- (a) abridging the time for, and validating, the service of the Motion Record and the Thirty-First Report of the Monitor dated April 17, 2019 (the “**Thirty-First Report**”), and dispensing with further service thereof;
- (b) approving the fees and disbursements of the Monitor for the period between September 1, 2018 and March 31, 2019, and of its counsel, Norton Rose Fulbright Canada LLP (“**NRFC**”) for the period between August 13, 2018 and March 24, 2019 (such periods together, the “**Approval Periods**”);
- (c) extending the Stay Period (as defined below) to September 30, 2019, and providing a corresponding extension of the application period for the Employee Hardship Fund (as such term is defined in the Employee Hardship Fund Term Sheet dated August 11, 2017, as approved by Order of this Court August 18, 2017); and

2 such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3 On June 22, 2017, the Applicants were granted protection under the CCAA pursuant to an initial order (as amended and restated on July 13, 2017, the “**Initial Order**”);

4 The Initial Order, among other things, appointed FTI Consulting Canada Inc. to act as Monitor of the Applicants and provided for an initial stay of proceedings for 30 days, which was since extended from time to time.

Fee Approval

5 The Initial Order also directed the Monitor and its counsel to pass their accounts from time to time;

6 The Monitor's Thirty-First Report and the fee affidavits appended thereto in connection with this motion include detailed information on the fees and disbursements of the Monitor and NRFC during the Approval Periods;

7 The Monitor believes that the Monitor's and its counsel's fees and disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in these CCAA proceedings.

Stay Extension

8 The Stay Period (as defined in the Initial Order) currently expires on May 2, 2019;

9 The Monitor is requesting an extension of the Stay Period until and including September 30, 2019;

10 The proposed Stay Period is consistent with the amended outside date for implementation of the plan of compromise or arrangement that was accepted for filing by the Court on February 15, 2019 (the "**Plan**") pursuant to the Pension Support Agreement between the Monitor and the Pension Parties dated October 18, 2018, as amended;

11 The Monitor is of the view that the proposed extension of the Stay Period will allow for sufficient time to complete matters that need to be completed prior to holding meetings of certain creditors of the Sears Canada Entities, obtaining an order sanctioning the Plan and implementing the Plan;

12 The Applicants have sufficient liquidity to fund these proceedings during the proposed extension of the Stay Period;

13 As such, the Monitor believes that an extension of the Stay Period is appropriate, and that the length of the extension requested will minimize the need for multiple Court appearances and is reasonable in the circumstances;

14 Consistent with past requests to extend the Stay Period, the Monitor also seeks a concurrent extension of the application period for the Employee Hardship Fund to September 30, 2019.

Other Grounds

15 The provisions of the CCAA, including section 11 thereof, and the inherent and equitable jurisdiction of this Court;

16 Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990; and

17 Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) The Thirty-First Report of the Monitor dated April 17, 2019; and
- (b) Such further and other materials as counsel may advise and this Court may permit.

April 17, 2019

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TO: THE SERVICE LIST

Schedule "A"
(Fourth Fee Approval and Stay Extension Order)

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 24 th
)	
JUSTICE HAINEY)	DAY OF APRIL, 2019

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., 9845488 CANADA INC., INITIUM TRADING AND
SOURCING CORP., SEARS FLOOR COVERING CENTRES
INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
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LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

FOURTH FEE APPROVAL AND STAY EXTENSION ORDER

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor (the “**Monitor**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Order (i) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP (“**NRFC**”); (ii) extending the Stay Period (defined below) until and including September 30, 2019; (iii) extending the Application Period set out in the Employee Hardship Fund Term Sheet (defined below) to September 30, 2019; and (iv) certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor and the Thirty-First Report of the Monitor dated April 17, 2019 (the “**Thirty-First Report**”), filed, and on hearing the submissions of counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of [●] sworn [●], 2019, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Thirty-First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF FEES

2. **THIS COURT ORDERS** that: (i) the fees and disbursements of the Monitor for the period from September 1, 2018 to and including March 31, 2019 totalling \$3,161,616.20 (including applicable taxes); and (ii) the fees and disbursements of NRFC, in its capacity as legal counsel to the Monitor from August 13, 2018 to and including March 24, 2019 totaling \$3,450,126.48 (including applicable taxes), be and are hereby approved.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period (as such term is defined in the Amended and Restated Initial Order dated June 22, 2017 made in these proceedings) is hereby extended from May 2, 2019 until and including September 30, 2019. Further, the Application Period for the Employee Hardship Fund (as such terms, respectively, are defined in the Employee Hardship Fund Term Sheet, approved by the Court on August 18, 2017) shall also be extended from May 2, 2019 until and including September 30, 2019.

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS
CANADA INC., et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FOURTH FEE APPROVAL
AND STAY EXTENSION ORDER**

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS
CANADA INC., et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at TORONTO

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