

**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  
(returnable September 19, 2019)**

September 13, 2019

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**TO: THE SERVICE LIST**

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
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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., 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.

(the "**Applicants**")

**NOTICE OF MOTION  
(returnable September 19, 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 Thursday, September 19, 2019, at 10 a.m. 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 attached as Schedule "A" hereto (the "**Stay Extension Order**");

- (a) abridging the time for service of this Notice of Motion and the thirty-second report of the Monitor dated September 13, 2019 (the “**Thirty-Second Report**”), and dispensing with service on any person other than those served; and
- (b) extending the Stay Period (defined below) from September 30, 2019 until and including March 31, 2020 [**and providing a corresponding extension of the application period for the Employee Hardship Fund approved by the Court on August 18, 2017**]; and.

2 Such further and other relief as this Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1 On June 22, 2017, the Applicants in these proceedings sought and obtained an initial order (as amended and restated on July 13, 2017, the “**Initial Order**”) under the CCAA;

2 The Initial Order, among other things, appointed FTI Consulting Canada Inc. as Monitor of the Applicants;

**Stay Extension**

3 The Initial Order granted a stay of proceedings until July 22, 2017, or such later date as this Court may order (the “**Stay Period**”);

4 The Court has since extended the Stay Period until and including September 30, 2019;

5 The Applicants have proceeded in good faith and with due diligence under the supervision of the Monitor in accordance with the Governance Protocol since the date of the last extension of the Stay Period;

6 Additional time is required to:

- (a) complete necessary matters prior to holding meetings of creditors and seeking a sanction order for the Applicants' plan of compromise and arrangement and implementing that plan of compromise and arrangement;
- (b) monetize remaining assets; and
- (c) continue to advance ongoing litigation for the benefit of the estate based upon the current approved litigation timetable;

7 The Applicants require the continued stability provided by the Court-ordered stay of proceedings in order to pursue the proposed path forward;

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

9 Consistent with past requests to extend the Stay Period, the Monitor also believes that a concurrent extension of the application period for the Employee Hardship Fund to March 31, 2020 is appropriate;

#### **Other Grounds**

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

11 Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended; and

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

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- 1 The Thirty-Second Report of the Monitor; and
- 2 Such further and other evidence as counsel may advise and this Court may permit.

September 13, 2019

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Lawyers for the Monitor

TO: **THE SERVICE LIST**

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

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

**NOTICE OF MOTION**  
**(Stay Extension)**  
**(returnable September 19, 2020)**

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

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

THE HONOURABLE	)	THURSDAY, THE 19 <sup>th</sup>
	)	
JUSTICE HAINEY	)	DAY OF SEPTEMBER, 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  
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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**”)

**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) extending the Stay Period (defined below) until and including March 31, 2020; and (ii) extending the Application Period set out in the Employee Hardship Fund Term Sheet (defined below) to March 31, 2020, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion of the Monitor and the Thirty-Second Report of the Monitor dated September ●, 2019 (the “**Thirty-Second 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-Second Report 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 AND APPLICATION PERIOD**

2. **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 September 30, 2019 until and including March 31, 2020. 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 September 30, 2019 until and including March 31, 2020.

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

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

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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Proceeding commenced at Toronto

**STAY EXTENSION ORDER**

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**ONTARIO**  
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**(returnable September 19, 2019)**

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