

**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.

(the "**Applicants**")

**NOTICE OF MOTION
(returnable April 18th, 2018)**

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 Court of Justice (Commercial List), on Wednesday, April 18th, 2018, 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 "**Interim Stay Extension and Second Fee Approval Order**"):

- (a) abridging the time for service of this Notice of Motion and the seventeenth report of the Monitor dated April 11, 2018 (the “**Seventeenth Report**”), and dispensing with service on any person other than those served;
- (b) extending the Stay Period (defined below) from April 27, 2018 until and including May 11, 2018; and
- (c) approving the fees and disbursements of the Monitor for the period between January 1, 2018 and March 31, 2018 and its counsel, Norton Rose Fulbright Canada LLP (“**NRFC**”) for the period between December 18, 2017 and March 18, 2018 (such periods together, the “**Approval Periods**”).

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 April 27, 2018;

5 Subject to confirmation of court availability, the Applicants intend to return to Court in early May to provide a further update to the Court on the proposed path forward for these

proceedings, and seek an extension to the Stay Period that will reflect such proposed path forward. The proposed path forward will be informative when determining the required duration of any further stay extension that may be granted at that time;

6 In the interim, the Monitor is seeking a brief extension of the Stay Period to May 11, 2018;

7 While the Applicants may be in a position to provide such information by the expiry of the current Stay Period on April 27th, 2018, the Monitor understands that it will not be possible to schedule a hearing in connection with these matters at that time;

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

9 The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate;

Second Fee Approval

10 The Monitor's Seventeenth 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;

11 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.

Other Grounds

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

13 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

14 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 Seventeenth Report of the Monitor; and

2 Such further and other evidence as counsel may advise and this Court may permit.

April 11, 2018

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Lawyers for the Monitor

TO: **THE SERVICE LIST**

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

THE HONOURABLE MR.) WEDNESDAY, THE 18th
)
JUSTICE HAINEY) DAY OF APRIL, 2018

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.

(the "Applicants")

INTERIM STAY EXTENSION AND SECOND FEE APPROVAL ORDER

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor (the "**Monitor**") of the Applicants in these proceedings, for an order: (i) extending the Stay Period (defined below) until and including May 11, 2018; and (ii) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP ("**NRFC**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor and the seventeenth report of the Monitor dated April 11, 2018 (the "**Seventeenth Report**"), including the fee affidavits sworn

April 11, 2018 attached thereto, filed, and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of [●], sworn April [11], 2018, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Seventeenth Report herein 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

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 April 27, 2018, until and including May 11, 2018.

APPROVAL OF FEES

3. **THIS COURT ORDERS** that (i) the fees and disbursements of the Monitor for the Period from January 1, 2018 to and including March 31, 2018 totalling CDN\$4,495,783.76 (including applicable taxes); and (ii) the fees and disbursements of NRFC, in its capacity as legal counsel to the Monitor from December 18, 2017 to and including March 18, 2018 totaling CDN\$2,336,463.02 (including applicable taxes), be and are hereby approved.

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

**INTERIM STAY EXTENSION
AND SECOND FEE APPROVAL ORDER
(re motion returnable April 18th, 2018)**

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Lawyers to the Monitor, FTI Consulting Canada Inc.

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

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**NOTICE OF MOTION
(Interim Stay Extension and 2nd Fee Approval)
(returnable April 18th, 2018)**

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