

**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 C INTERNATIONAL INC., C
INTERNATIONAL INCOME FUND, CII TRUST AND THE
COMPANIES LISTED IN SCHEDULE "A"**

Applicants

**MOTION RECORD
(Returnable December 2, 2014)**

GOODMANS LLP

Barristers & Solicitors

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K

Melaney J. Wagner LSUC#: 44063B

Caroline Descours LSUC#: 58251A

Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for the Applicants

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1	Notice of Motion dated November 25, 2014
2	Draft Order

SCHEDULE “A”

Additional Applicants

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holding’s Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

TAB 1

Court File No. CV12-9767-00CL

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**NOTICE OF MOTION
(Returnable December 2, 2014)**

The Applicants will bring a motion before a Judge of the Commercial List on Tuesday, December 2, 2014, at 8:30 a.m. or as soon after that time as the matter may be heard at 330 University Avenue, Toronto, Ontario.

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

1. **THE APPLICANTS MAKE A MOTION FOR AN ORDER** substantially in the form attached at Tab 2 of the Motion Record, *inter alia*:
 - (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
 - (b) extending the Stay Period (as defined in the Initial Order granted by this Court in these proceedings on June 25, 2012 (the "**Initial Order**")) to June 5, 2015; and
 - (c) such further and other relief as counsel may request and this Court deems just.
2. **THE GROUNDS FOR THE MOTION ARE:**

Background

- (a) Unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Initial Order;

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- (b) On June 25, 2012, this Court granted the Initial Order, *inter alia*: (i) granting a stay of proceedings under the CCAA against the Applicants and C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the “**CCAA Parties**”), and the subsidiaries of the CCAA Parties that are also party to agreements to which the CCAA Parties are parties; (ii) appointing FTI as the Monitor of the CCAA Parties in these CCAA proceedings; and (iii) appointing CRW International ULC, formerly Cinram International ULC (“**CRW**”), as the foreign representative of the CCAA Parties;
- (c) The stay of proceedings pursuant to the Initial Order was granted to July 25, 2012, and has been subsequently extended by Orders of this Court to December 5, 2014;
- (d) On July 12, 2012, this Court made an order (the “**Approval and Vesting Order**”), *inter alia*: (i) approving the sale of substantially all of the property and assets used in connection with the business carried on by C International Income Fund, formerly Cinram International Income Fund, and its direct and indirect subsidiaries (collectively, the “**Company**”) in North America contemplated by the asset purchase agreement between CII and Cinram Group, Inc., formerly Cinram Acquisition, Inc. (the “**Purchaser**”), dated June 22, 2012 (the “**Asset Purchase Agreement**”, and the transactions contemplated thereunder, the “**Asset Sale Transaction**”); and (ii) approving the sale of the shares of Cooperatie Cinram Netherlands UA pursuant to the share purchase offer dated June 22, 2012 (the “**Share Purchase Offer**”) provided by the Purchaser to CII and 1362806 Ontario Limited on the terms of the form of share purchase agreement appended to the Share Purchase Offer (the transaction contemplated thereunder, the “**Share Sale Transaction**”);
- (e) On July 25, 2012, CRW, in its capacity as the foreign representative for CII and each of the Applicants that are U.S. entities (collectively, the “**U.S. Debtors**”), obtained an order under chapter 15 of title 11 of the United States Code, as amended from time to time (the “**Bankruptcy Code**”), from the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”), *inter alia*, recognizing on a final basis these CCAA proceedings as the “foreign main

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proceedings” of the CCAA Parties and recognizing on a final basis the Initial Order;

- (f) On July 25, 2012, CRW, in its capacity as foreign representative for the U.S. Debtors, obtained an order under chapter 15 of the Bankruptcy Code from the U.S. Court, *inter alia*, recognizing the Approval and Vesting Order, authorizing the assumption and assignment of certain executory contracts and unexpired leases, and granting certain related relief;
- (g) The Asset Sale Transaction closed on August 31, 2012 and the Share Sale Transaction closed on February 4, 2013;
- (h) Cinram Wireless LLC (“**Wireless**”) subsequently completed a sale of substantially all of its assets, which sale was approved by the Court on April 10, 2013 and recognized by the U.S. Court on April 22, 2013, and then completed the wind down of its business in June 2013;
- (i) On April 22, 2014, CMFG LLC, formerly Cinram Manufacturing LLC, completed the sale of its real estate property located in Olyphant, Pennsylvania, which sale was approved by the Court on April 2, 2014 and recognized by the U.S. Court on April 9, 2014;
- (j) On May 9, 2014, a sale of real estate property located in Madrid, Spain owned by Cinram Iberia SL (“**Cinram Spain**”), a non-applicant wholly-owned subsidiary of CII, was completed;
- (k) Cinram Spain is now in the process of being formally wound up, which process is expected to be completed in the first quarter of 2015. It is contemplated that any cash available at Cinram Spain following its wind up will be distributed to CII, the sole shareholder of Cinram Spain;
- (l) Remaining excluded assets of the CCAA Parties include the real estate property located in Louisville, Kentucky for which, to date, no purchase offers have been received;

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- (m) The Monitor, in consultation with the financial advisor to the first lien lenders of the Applicants, is considering alternative sales processes in order to sell the property in the short term;
- (n) On October 15, 2014, this Court made an order (the “**Receivership Discharge Order**”), *inter alia*, discharging FTI as Receiver of the Limited Receivership Property (each as defined in the Receivership Discharge Order) on the filing of the Receiver’s Certificate attached as Schedule B to the Receivership Discharge Order (the “**Receiver’s Completion Certificate**”), which Receiver’s Completion Certificate was filed with the Court on October 28, 2014;

Proposed Stay Extension

- (o) The CCAA Parties have been and intend to continue fully cooperating with the Monitor with respect to the provision of required information;
- (p) Since the issuance of the Initial Order, the CCAA Parties have acted and continue to act in good faith and with due diligence in carrying out the terms of the Initial Order and subsequent Orders issued by the Court in these CCAA proceedings;
- (q) The CCAA Parties require an extension of the Stay Period to June 5, 2015 to continue to pursue their restructuring efforts, including the sale of the remaining excluded assets for the benefit of their stakeholders, and to complete certain tax returns of certain of the CCAA Parties;
- (r) Creditors will not suffer any material prejudice if the Stay Period is extended;
- (s) The Applicants’ motion is supported by the Pre-Petition First Lien Agent;
- (t) The Applicants consulted with the Monitor with respect to the relief sought on this motion and the Monitor will be filing the Monitor’s Fifteenth Report in connection with this motion;

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General

- (u) The provisions of the CCAA and this Court's equitable and statutory jurisdiction thereunder;
- (v) Rules 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Rec. 194, as amended; and
- (w) Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Monitor's Fifteenth Report and any appendices attached thereto, to be filed; and
- (b) such further and other material as counsel may advise and this Court may permit.

Date: November 25, 2014

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
Caroline Descours LSUC#: 58251A

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

TO: THE ATTACHED SERVICE LIST

SCHEDULE “A”**Additional Applicants**

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holding’s Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

SCHEDULE "B"

Service List

Court File No. CV12-9767-00CL

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Applicants

Service List

	Firm:	Attention:
TO:	<p>GOODMANS LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7</p> <p>Fax: (416) 979-1234</p> <p>SHEARMAN & STERLING LLP 599 Lexington Avenue New York, NY 10022</p> <p>Fax: 1 (212) 848-7179</p> <p>Lawyers for the Applicants</p>	<p>Robert J. Chadwick Tel: (416) 597-4285 E-mail: rchadwick@goodmans.ca</p> <p>Melaney Wagner Tel: (416) 597-4258 E-mail: mwagner@goodmans.ca</p> <p>Caroline Descours Tel: (416) 597-6275 E-mail: cdescours@goodmans.ca</p> <p>Douglas P. Bartner Tel: 1 (212) 848-8190 E-mail: dbartner@shearman.com</p> <p>Jill Frizzley Tel: 1 (212) 848-8174 E-mail: jfrizzley@shearman.com</p>

AND TO:	<p>FTI CONSULTING CANADA INC. TD Waterhouse Tower 79 Wellington Street West Suite 2010 P.O. Box 104 Toronto, ON M5K 1G8</p> <p>Fax: (416) 649-8101</p> <p>Court-appointed Monitor</p>	<p>Paul Bishop Tel: (416) 649-8100 E-mail: paul.bishop@fticonsulting.com</p> <p>Steven Bissell Tel: (416) 649-8054 steven.bissell@fticonsulting.com</p> <p>Pamela Luthra Tel: (416) 649-8063 pamela.luthra@fticonsulting.com</p>
AND TO:	<p>STIKEMAN ELLIOT LLP 199 Bay Street 5300 Commerce Court West Toronto, ON M5L 1B9</p> <p>Fax: (416) 947-0866</p> <p>Lawyers for the Court-appointed Monitor</p>	<p>David Byers Tel: (416) 869-5697 E-mail: dbyers@stikeman.com</p> <p>Maria Konyukhova Tel: (416) 869-5230 E-mail: mkonyukhova@stikeman.com</p>
AND TO:	<p>BLAKE, CASSELS & GRAYDON LLP 199 Bay Street Suite 4000, Commerce Court West Toronto, ON M5L 1A9</p> <p>Fax: (416) 863-2653</p> <p>WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019</p> <p>Fax: 1 (212) 403-2109</p> <p>Lawyers for JPMorgan Chase N.A., as Administrative Agent</p>	<p>Milly Chow Tel: (416) 863-2594 E-mail: milly.chow@blakes.com</p> <p>Steven J. Weisz Tel: (416) 863-2616 E-mail: steven.weisz@blakes.com</p> <p>Joshua Andrew Feltman Tel: 1 (212) 403-1102 E-mail: jafeltman@wlrk.com</p>

AND TO:	<p>OSLER, HOSKIN & HARCOURT LLP 100 King Street West 1 First Canadian Place, Suite 6100 P.O. Box 50 Toronto Ontario M5X 1B8</p> <p>Fax: (416) 862-6666</p> <p>KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, Illinois 60654</p> <p>Lawyers for Twentieth Century Fox Home Entertainment</p>	<p>Tracy Sandler Tel: (416) 862-5890 E-mail: tsandler@osler.com</p> <p>Jeremy Dacks Tel: (416) 862-4923 E-mail: jdacks@osler.com</p> <p>Adam Paul Tel: 1 (312) 862-3120 E-mail: adam.paul@kirkland.com</p>
AND TO:	<p>OSLER, HOSKIN & HARCOURT LLP 100 King Street West 1 First Canadian Place, Suite 6100, P.O. Box 50 Toronto Ontario M5X 1B8</p> <p>Fax: (416) 862-6666</p> <p>Lawyers for Warner-Elektra-Atlantic Corporation</p>	<p>Steven Golick Tel: (416) 862-6704 E-mail: sgolick@osler.com</p> <p>Marc Wasserman Tel: (416) 862-4908 E-Mail: mwasserman@osler.com</p>
AND TO:	<p>GOWLING LAFLEUR HENDERSON LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, ON M5X 1G5</p> <p>Fax: (416) 862-7661</p> <p>Lawyers for US Industrial REIT II</p>	<p>David Cohen Tel: (416) 369-6667 E-mail: david.cohen@gowlings.com</p>
AND TO	<p>DEPARTMENT OF JUSTICE 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Fax: (416) 973-0810</p>	<p>Diane Winters Tel: (416) 973-3172 E-mail: diane.winters@justice.gc.ca</p>

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

Court File No: CV12-9767-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE-
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
Caroline Descours LSUC#: 58251A

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

TAB 2

Court File No. CV12 – 9767 – 00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ●)	TUESDAY, THE 2 ND
)	
JUSTICE ●)	DAY OF DECEMBER, 2014

**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
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Applicants

ORDER

THIS MOTION, made by C International Inc., formerly Cinram International Inc., C International Income Fund, formerly Cinram International Income Fund, CII Trust and the companies listed in Schedule "A" hereto (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifteenth Report of FTI Consulting Canada Inc. ("**FTI**") in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") dated ●, 2014 (the "**Monitor's Fifteenth Report**"), and on hearing the submissions of counsel for the Applicants and C International Limited Partnership, formerly Cinram International Limited Partnership (together with the Applicants, the "**CCAA Parties**"), the Monitor, the Pre-Petition First Lien Agent (as defined in the Initial Order granted by this Honourable Court in these proceedings on June 25, 2012 (the "**Initial Order**")) and the Pre-Petition Second Lien Agent (as defined in the Initial Order) and no one appearing and making submissions for any other person served with

DRAFT: 1 - November 25, 2014 - 11:28 AM

the Motion Record, although properly served as appears from the affidavit of ● sworn ●, 2014, filed,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record 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 defined in the Initial Order) be and is hereby extended to 11:59 p.m. on June 5, 2015.

RECOGNITION

3. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the CCAA Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to CRW International ULC, formerly Cinram International ULC, in any foreign proceeding, or to assist the CCAA Parties and the Monitor and their respective agents in carrying out the terms of this Order.

4. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.

SCHEDULE A

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GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
Caroline Descours LSUC#: 58251A

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

6390452

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Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K
Melaney J. Wagner LSUC#: 44063B
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Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants