

**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.

**MOTION RECORD OF THE MONITOR
(Stay Extension)
(returnable September 29, 2020)**

September 24, 2020

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TO: THE SERVICE LIST

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

**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
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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**”)

**NOTICE OF MOTION
(returnable September 29, 2020)**

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 Tuesday, September 29, 2020, at 12 p.m. or as soon after that time as the motion can be heard, by judicial teleconference via Zoom at Toronto, Ontario. Please refer to the conference details attached as Schedule “A” hereto in order to attend the motion and advise if you intend to join the motion by emailing Peter Choi at peter.choi@nortonrosefulbright.com.

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 “B” hereto (the “**Stay Extension Order**”):

(a) abridging the time for service of this Notice of Motion and the fortieth report of the Monitor dated September 24, 2020 (the “**Fortieth Report**”), and dispensing with service on any person other than those served; and

(b) extending the Stay Period (defined below) from September 30, 2020 until and including January 31, 2021 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, 2020;

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

6 Additional time is required to:

(a) hold a meetings of creditors and seeking a sanction order for the Applicants' plan of compromise and arrangement and implementing that plan of compromise and arrangement; and

(b) implement certain settlements of litigation related to the dividend declared and paid by Sears Canada Inc. in 2013;

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 January 31, 2021 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 Fortieth Report of the Monitor; and

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

September 24, 2020

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Lawyers for the Monitor

TO: **THE SERVICE LIST**

Schedule "A"

Join Zoom Meeting

<https://nortonrosefulbright.zoom.us/j/94490812089?pwd=dEVVTnBKUjBtVHRzTUZCbMVFmMmY0UT09>

Meeting ID: 944 9081 2089

Password: 177798

One tap mobile

+13462487799,,94490812089#,,1#,177798# US (Houston)

+16465588656,,94490812089#,,1#,177798# US (New York)

Dial by your location:

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

888 475 4499 US Toll-free

833 548 0276 US Toll-free

833 548 0282 US Toll-free

877 853 5257 US Toll-free

Meeting ID: 944 9081 2089

Password: 177798

Find your local number: <https://nortonrosefulbright.zoom.us/u/ad2WIZbVDA>

Schedule "B"

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

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

THE HONOURABLE)	TUESDAY, THE 29th
)	
JUSTICE HAINEY)	DAY OF SEPTEMBER, 2020

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
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(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 (as defined below) until and including January 31, 2021; and (ii) extending the Application Period set out in the Employee Hardship Fund Term Sheet (each as defined below) to January 31, 2021, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor and the Fortieth Report of the Monitor dated September 24, 2020 (the “**Fortieth Report**”), filed, and on hearing the submissions of counsel for the Monitor, and such other counsel as were present, no one else appearing,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Fortieth 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, 2020 until and including January 31, 2021. 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, 2020 until and including January 31, 2021.

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

STAY EXTENSION ORDER

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS
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**ONTARIO
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Proceeding commenced at TORONTO

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Proceeding commenced at TORONTO

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