

**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 ARRANGMENT OF SEARS
CANDA INC., CORBEIL ELECRTIQUE INC., S.L.H. TRANSPORT INC., THE CUT INC.,
SEARS CONTACT SERVICES INC., INTIUM LOGISTICS SERVICES INC., INTIUM
COMMERCE LABS INC., INTIUM 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

**MOTION RECORD OF THE PLAINTIFF IN CIVIL ACTION CV-14-501041
(Returnable Wednesday, July 18, 2018)**

SOKOLOFF LAWYERS
2 Automatic Road
Brampton, Ontario L6S 6K9

Savannah V. Chorney
LSUC No.: 57656V
Telephone: (416) 966-4878
Facsimile: (416) 966-8865

Lawyers for Plaintiff in Civil Action
CV-14-501041

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, transfers, and adjustments. The text explains that a thorough record-keeping system is essential for identifying trends, detecting errors, and providing a clear audit trail.

Next, the document addresses the process of reconciling accounts. It states that regular reconciliation is necessary to verify that the internal records match the external statements provided by banks and other institutions. This process involves comparing the company's ledger balances with the corresponding balances on the external statements, identifying any discrepancies, and investigating their causes. The text provides a step-by-step guide to performing these reconciliations, highlighting the importance of doing so promptly to prevent errors from accumulating.

The third section focuses on the preparation of financial statements. It outlines the requirements for these statements, including the balance sheet, income statement, and cash flow statement. The text provides detailed instructions on how to calculate each component, ensuring that all necessary adjustments are made. It also discusses the importance of presenting the information in a clear and concise manner, following established accounting standards and conventions. The document includes examples of how to format these statements and provides tips for ensuring their accuracy and reliability.

Finally, the document concludes by emphasizing the overall importance of financial management. It states that a well-maintained financial system is crucial for the success of any business, as it provides the data needed to make informed decisions, manage cash flow, and ensure long-term sustainability. The text encourages businesses to invest in proper accounting practices and to seek professional advice when needed to ensure compliance with all relevant regulations and standards.

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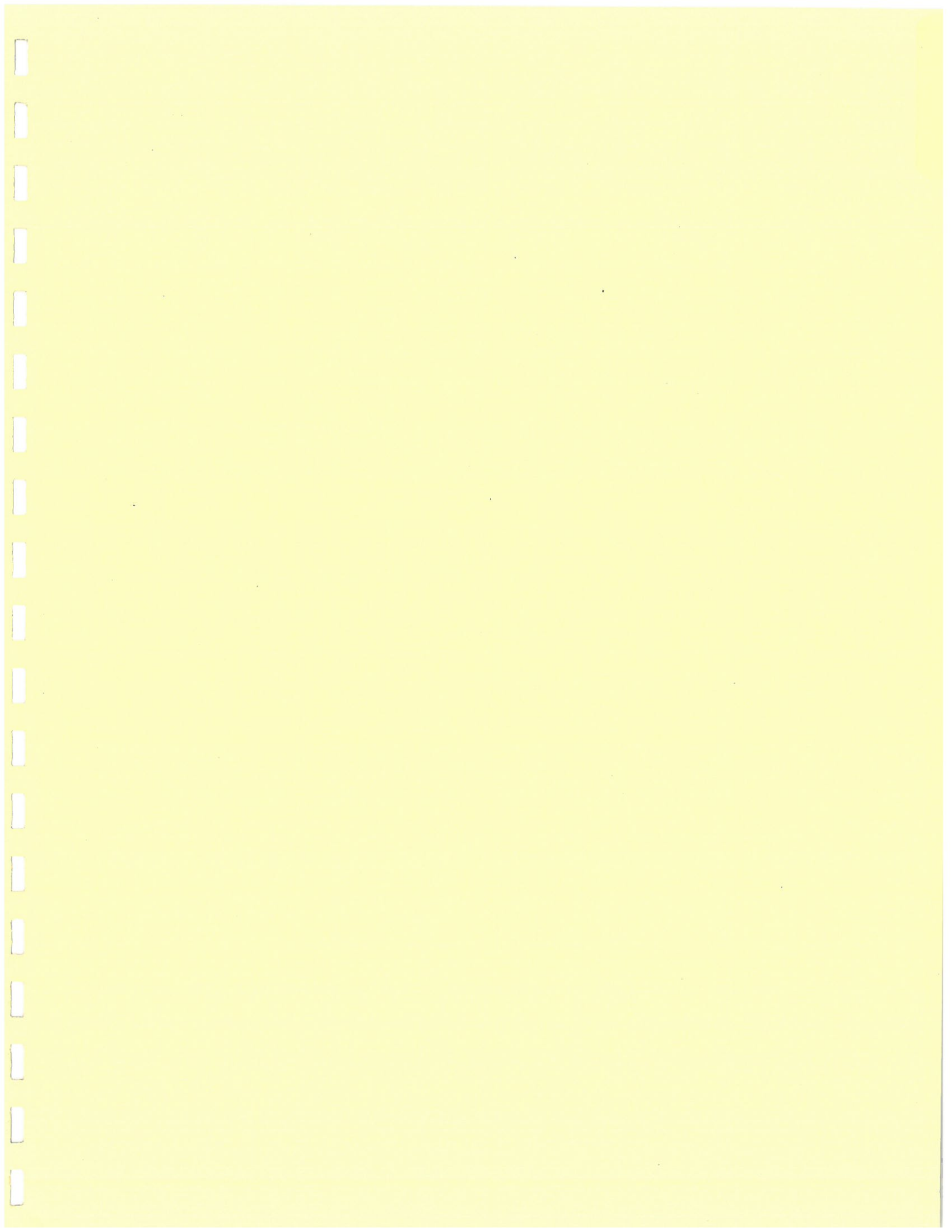
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NOTICE OF MOTION

MARIA WILLIAMS, THE PLAINTIFF IN CIVIL ACTION CV-14-501041, will
make a motion to the Court on Wednesday, the 18th day of July, 2018, at 10:00 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 lifting the Stay imposed by the Order of Justice Hainey dated June 22, 2017, to
allow the civil action bearing Court File Number CV-14-501041 to continue;

2. Leave, if necessary, to bring the within motion; and
3. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Civil Action bearing Court File Number CV-14-501041 arises out of a motor vehicle accident that occurred on May 15, 2012, in the City of Mississauga, in the Province of Ontario, involving a vehicle operated by Nimalendra Selvarajah, an employee of Sears Canada Inc., who was driving a vehicle owned by Sears Canada Inc.;
2. The Plaintiff commenced an action as against the Defendants on March 28, 2014, (the “Williams Action”);
3. The Defendant, Nimalendra Selvarajah (“Selvarajah”) was at all material times the operator of a 2005 Ford motor vehicle bearing Ontario license plate number 2066NW;
4. At all material times, the Defendant Sears Canada Inc., (“Sears Canada”), was the owner of the co-Defendant Selvarajah’s motor vehicle bearing license plate number 2066NW;
5. At all material times, the Defendant, Sears Canada Inc., (“Sears Canada”), had valid automobile insurance with \$1,000,000.00 third party liability policy limits available;
6. On or about June 13, 2017, a settlement was reached between the parties at a private

mediation. Minutes of Settlement were executed and a full and final release was signed;

7. On June 22, 2017, the Sears Canada Inc. obtained protection under the *Companies Creditors Arrangement Act* (“*CCAA*”), pursuant to the Order of the Honourable Justice Hainey (“Initial Order”);

8. As a result of the *CCAA* proceeding, the Williams Action has been stayed;

9. The amount of the settlement in the Williams action does not exceed the third party liability limits under the relevant policy of automobile insurance;

10. The stay imposed by Order of Justice Hainey dated June 22, 2017 should be lifted to allow the moving party Maria Williams to continue the Williams action as against Sears Canada Inc., subject to the stipulation that any recovery against Sears Canada Inc. be limited to insurance proceeds and not the assets of Sears Canada Inc.; and

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

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

1. The within Notice of Motion;

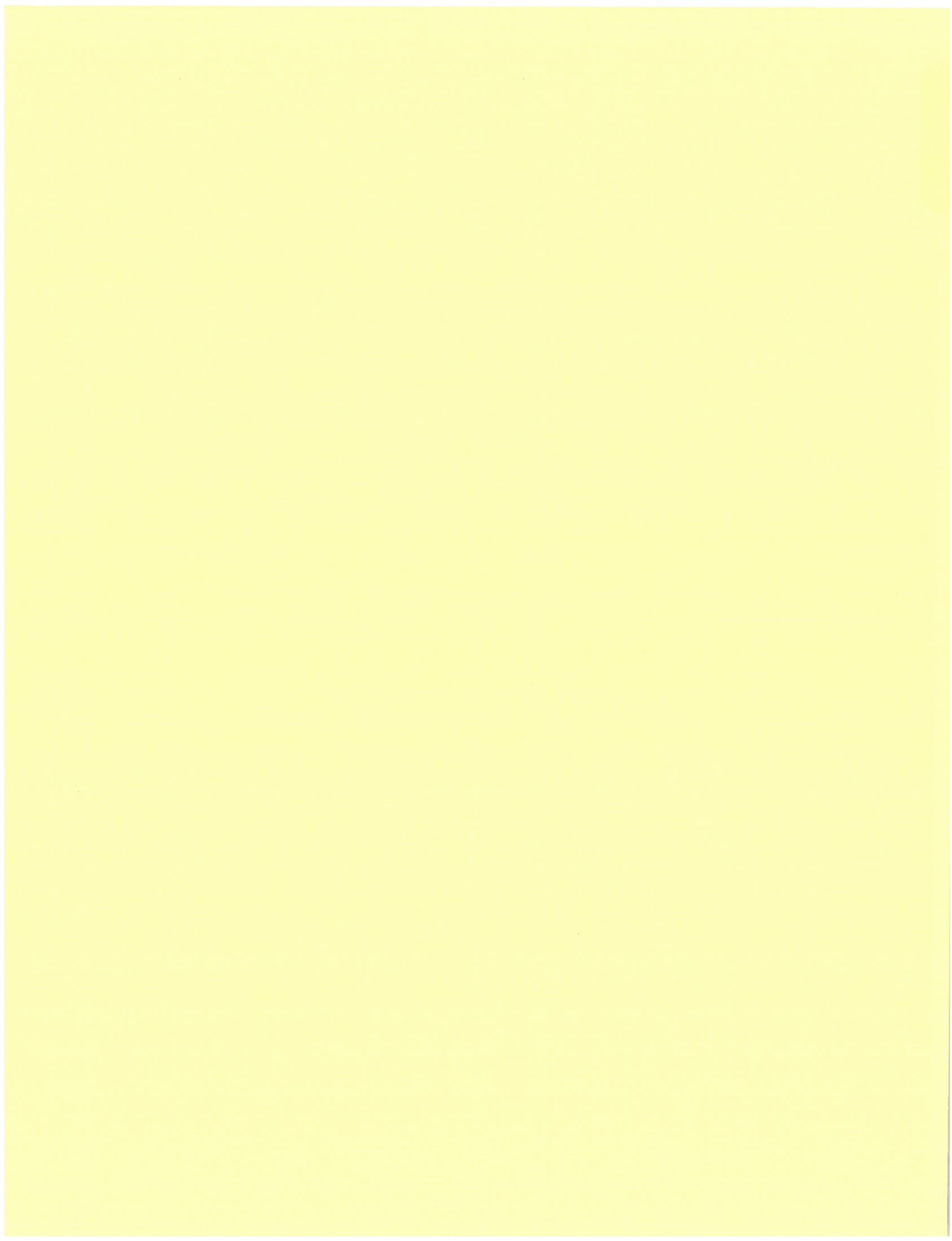
2. The Affidavit of Savannah V. Chorney, sworn February 28, 2018, and the exhibits thereto;
3. The pleadings and proceedings herein; and
4. Such further and other material as counsel may advise and this Honourable Court may permit.

DATE: February 28, 2018

SOKOLOFF LAWYERS
2 Automatic Road
Brampton, Ontario L6S 6K9

Savannah V. Chorney
LSUC No.: 57656V
Tel: (416) 966-4878
Fax: (416) 966-8865

Lawyers for Plaintiff in
Civil Action CV-14-501041



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AFFIDAVIT OF SAVANNAH V. CHORNEY

I, **Savannah V. Chorney**, of City of Vaughan, in the Province of Ontario, Barrister and
Solicitor, hereby, **MAKE OATH AND SAY:**

1. I am a lawyer at Sokoloff Lawyers, lawyers for the Plaintiff in civil action CV-14-
501041, and as such I have personal knowledge of the matters hereinafter deposed to, unless
such matters are stated to be based on information and belief, in which case I have indicated the
source of my information and I believe such matters to be true.

CIVIL ACTION CV-14-501041

2. The action bearing Court File Number CV-14-501041 (hereinafter the "civil action")

arises out of a motor vehicle accident that occurred on May 15, 2012, in the City of Mississauga, in the Province of Ontario.

3. The Plaintiff in the civil action, Maria Williams, (hereinafter “Williams”) was travelling eastbound on Burnhamthorpe Road West, when Nimalendra Selvarajah, who was travelling northbound on Mavis Road, failed to stop at the red traffic light and collided with the Williams motor vehicle. *Attached to this Affidavit and marked as Exhibit “A” is a true copy of the Motor Vehicle Accident Report.*

4. At all material times, Sears Canada Inc. owned the motor vehicle bearing Ontario license plate number 2066NW, which was being driven by Nimalendra Selvarajah at the time of the motor vehicle accident. *Attached to this Affidavit and marked as Exhibit “B” is a true copy of the Ministry of Transportation license plate search confirming ownership of the Selvarajah vehicle.*

5. At all material times, the Defendant, Sears Canada Inc., (“Sears Canada”), had valid automobile insurance provided by ACE INA Insurance with \$1,000,000.00 third party liability limits. *Attached to this Affidavit and marked as Exhibit “C” are true copies of the Endorsement and Certificate of Automobile Insurance for Policy Number CAC 305044 issued to Sears Canada Inc.*

6. The Plaintiff commenced the civil action as against Sears Canada Inc. and Selvarajah by Statement of Claim issued March 28, 2014. *Attached to this Affidavit and marked as Exhibit*

“D” is a true copy of the issued Statement of Claim.

7. By way of response, Sears Canada Inc. and Selvarajah delivered a Statement of Defence September 24, 2014. *Attached to this Affidavit and marked as Exhibit “E” is a true copy of the Statement of Defence.*

SETTLEMENT OF THE CIVIL ACTION

8. On or about June 13, 2017, a settlement was reached between the parties by way of private mediation, whereby the Defendants in the Civil Action, being Selvarajah and Sears Canada Inc., would pay \$63,000.00 all inclusive to the Plaintiff Williams. Minutes of Settlement and a full and final release were executed. *Attached to this Affidavit and marked as Exhibit “F” are true copies of the Minutes of Settlement and full and final release.*

CCAA PROCEEDING AND STAY OF CIVIL ACTION

9. On June 22, 2017, Sears Canada Inc. obtained protection under the *Companies Creditors Arrangements Act* (“CCAA”), pursuant to the Order of the Honourable Justice Hainey (“Initial Order”). *Attached to this Affidavit and marked as Exhibit “G” is a true copy of the Order of Justice Hainey, dated June 22, 2017.*

10. As a result of the CCAA proceeding, as set out at paragraph 14 of the Initial Order, the civil action commenced by Williams has been stayed. The said Order is attached, above, as Exhibit “E” to this Affidavit.

The first part of the document discusses the importance of maintaining accurate records in a business setting. It highlights how proper record-keeping can help in decision-making, legal compliance, and financial management. The text emphasizes that records should be organized, up-to-date, and easily accessible.

Next, the document addresses the challenges of data management in the digital age. It notes that while digital storage offers convenience, it also introduces risks such as data loss, security breaches, and information overload. Solutions like cloud storage, encryption, and regular backups are suggested to mitigate these risks.

The third section focuses on the role of technology in streamlining business processes. It describes how automation and software tools can reduce manual errors, save time, and improve overall efficiency. Examples include using accounting software for invoicing and project management tools for task delegation.

Finally, the document concludes by stressing the importance of employee training and awareness. It suggests that investing in education and providing clear guidelines can ensure that all staff members understand the correct procedures for handling data and records, leading to a more professional and organized business environment.

**ONTARIO
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THE HONOURABLE)
)
JUSTICE HAINEY) of _____, 2018.
) _____ DAY, THE _____ DAY

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ORDER

THIS MOTION made by Maria Williams, the Plaintiff in civil action CV-14-501041,
for an Order lifting the stay imposed by the Order of Justice Hainey dated June 22, 2017, to
allow the moving party Maria Williams to continue the civil action bearing Court File Number
CV-14-501041, was heard this day at the Courthouse at 330 University Avenue, Toronto,
Ontario.

ON READING the Affidavit of Savannah V. Chorney, filed, and the exhibits thereto, and no one opposing though properly served, as is evidenced by the Affidavit of Service:

1. **THIS COURT ORDERS** that the stay imposed by Order of Justice Hainey dated June 22, 2017 is lifted with respect to the civil action bearing Court File Number CV-14-501041;

 2. **THIS COURT FURTHER ORDERS** that Maria Williams is hereby granted leave to continue the civil action bearing Court File Number CV-14-501041; and

 3. **THIS COURT FURTHER ORDERS** that any recovery against Sears Canada Inc. in the civil action bearing Court File Number CV-14-501041 shall be limited to insurance proceeds and not the assets of Sears Canada Inc.
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