



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
 )  
REGIONAL SENIOR JUSTICE )  
 )  
MORAWETZ )

TUESDAY, THE 12<sup>TH</sup>  
DAY OF MAY, 2015

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

**ORDER – ADVICE AND DIRECTIONS**

THIS MOTION, made by the Monitor, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "CCA") for an order providing advice and directions and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Monitor, the Ninth Report (the "**Monitor's Ninth Report**") of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the "**Monitor**"), filed, and on hearing the submissions of respective counsel for the Monitor, Applicants and the Partnerships listed on Schedule "A" hereto, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Jesse Mighton sworn May 5, 2015, filed:

## SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated January 15, 2015 (the “**Initial Order**”), or in Monitor’s Ninth Report, as applicable.

## ADVICE AND DIRECTIONS

3. THIS COURT ORDERS that the Monitor’s motion seeking approval of a comprehensive claims process (the “**Claims Process**” and the motion, the “**Claims Process Motion**”) shall be heard on June 11, 2015 (the “**Claims Process Hearing Date**”).
4. THIS COURT ORDERS that the Monitor shall serve motion materials in respect of the Claims Process Motion on all parties on the service list in these proceedings no later than seven (7) days prior to the Claims Process Hearing Date.
5. THIS COURT ORDERS that the Claims Process shall include, among other things:
  - (a) procedures regarding the calling of all claims as against the Target Canada Entities, including intercompany claims, and as against the Target Canada Entities’ current and former directors and officers;
  - (b) procedures regarding the determination and resolution of all claims as against the Target Canada Entities and their directors and officers, other than intercompany claims or any intercreditor disputes, including the appointment of claims officers;and

- (c) preparation and service by the Monitor of a report on all intercompany claims submitted in accordance with the claims procedures (the “**Monitor Intercompany Claims Report**”) following the claims bar date established in the Claims Process.

6. THIS COURT ORDERS that the Monitor Intercompany Claims Report shall identify and quantify any intercompany claims to be allowed subject to the determination of objections filed in respect thereof, in accordance with the terms of the Claims Process.

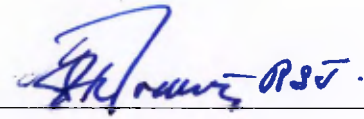
7. THIS COURT ORDERS that, following the filing of the Monitor Intercompany Claims Report, all creditors of the Target Canada Entities shall have the opportunity to file objections within a time period to be established in the Claims Procedure Order (the “**Intercompany Claims Objections Bar Date**”), which may include, but are not limited to, any claim asserted for the subordination of outstanding intercompany debts of any of the Target Canada Entities, any relief regarding claimed priority rights, any claim asserted for substantive consolidation, and the validity or quantum of intercompany claims.

8. THIS COURT ORDERS that, promptly following the Intercompany Claims Objections Bar Date, the Monitor shall schedule a motion with this Court to seek approval of a process for the resolution of any objections filed in connection with the validity or quantum of intercompany claims and any other intercreditor disputes, including a process regarding requests for the production of documents or any oral examinations (the “**Intercompany Claims and Intercreditor Dispute Process Motion**”).

9. THIS COURT ORDERS that, at the hearing of the Intercompany Claims and Intercreditor Dispute Process Motion, the Monitor shall schedule with this Court any motions a creditor has advised the Monitor it still wishes to be heard regarding requests for the production of documents and/or any oral examinations.

10. THIS COURT ORDERS that with respect to consultation between the Monitor and creditors regarding the Claims Process parties will further abide by the terms of the endorsement attached hereto as Appendix “A”.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist TCC, 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 TCC 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 the Monitor in any foreign proceeding, or to assist TCC and the Monitor and their respective agents in carrying out the terms of this Order.



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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAY 12 2015



**SCHEDULE "A"**  
**PARTNERSHIPS**

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

**APPENDIX A TO THE ORDER FOR ADVICE AND DIRECTIONS  
MADE MAY 12, 2015**

**ADVICE AND DIRECTIONS REGARDING CONSULTATION WITH RESPECT TO  
THE CLAIMS PROCESS**

1. The Monitor will bring forward the Claims Process Motion for approval of the Claims Process on June 11, 2015.
2. The Claims Process will reflect this Court's desire for all reasonable expedition, including with respect to the preparation of the Monitor's Intercompany Claims Report.
3. The Monitor will circulate a draft Claims Procedure Order with respect to the Claims Process to the Service List for discussion by no later than May 28, 2015.
4. The Monitor will constitute and convene a Consultative Committee, which the Monitor shall consult regarding the Claims Process following circulation of the draft Claims Procedure Order, and send invitations to:
  - (a) Mr. Lou Brzezinski and Mr. Mel Solmon; and
  - (b) certain other creditors who the Monitor knows from prior discussion have an interest in the process to ensure that interested creditor constituencies are represented.
5. The parties on the Consultative Committee are free to avail themselves of, and bring, their counsel, each at their own expense. For greater certainty, the estate will not pay the legal fees or other expenses of the Consultative Committee or any member thereof.
6. The draft Claims Procedure Order will be served on the entire Service List and all creditors are welcome to provide comments.



7. While consensus on the Claims Process is desirable, if that is not achievable, on June 11, 2015, any creditor can raise any issue with respect to the Claims Process on not less than two days' notice to the Service List.
8. Once the intercompany claims are filed and the Monitor's Intercompany Claims Report and any objections to the intercompany claims are filed, discussion regarding consensual resolution may take place.
9. Notwithstanding any such discussions the Monitor will come forward with the Intercompany Claims and Intercreditor Dispute Process for approval by the Court. The Monitor will reconvene and consult the Consultative Committee with respect to its draft order regarding the Intercompany Claims and Intercreditor Dispute process.
10. The Monitor and the Consultative Committee will consider whether it is advisable to call a meeting of all creditors at that time.
11. The Intercompany Claims and Intercreditor Dispute Process will deal with how best to advance any litigation concerning the intercompany and intercreditor claims, including identifying common interests and how these interests are best represented.
12. If consensus is not achieved regarding the Intercompany Claims and Intercreditor Dispute Process, upon the return of the motion for approval of the Intercreditor Claims and Intercompany Dispute Process, any party may raise issues regarding the process, including requests for any *ad hoc* committee and representative counsel.
13. No motion for an *ad hoc* committee regarding intercompany claims and intercreditor claims, 30-day goods issues or representative counsel thereto, including the motions therefor returnable May 11, 2015, shall be brought until the Intercompany Claims and Intercreditor Dispute Process is brought forward for hearing, in accordance with paragraph 9 above.
14. Counsel to the Applicants will provide four dates in July and August, 2015 convenient to Mark Wong and counsel for the Applicants of which one may be selected by Mr. Solmon for the cross-examination of Mark Wong.



15. Target Corporation confirms that, as with any claimant in a Claims Process, if Target Corporation files a claim against TCC PropCo, Target Corporation will be bound by the determination of that claim in the Claims Process.

*[Handwritten signature]*  
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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP. TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., AND TARGET CANADA PROPERTY LLC.

Court File No.: Court File No.: CV-15-10832-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**  
Proceeding commenced at Toronto

**ORDER**

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