

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

THE HONOURABLE)
JUSTICE LEDERMAN)
FRIDAY THE 22ND DAY
OF DECEMBER, 2006



**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B-16, S. 182 AS AMENDED**

- and -

**IN THE MATTER OF AN APPLICATION BY THE T. EATON COMPANY
LIMITED RELATING TO A PROPOSED ARRANGEMENT INVOLVING THE
T. EATON COMPANY LIMITED AND ITS SECURITY HOLDERS AND
1381052 ONTARIO INC.**

Applicant

ORDER

**(APPROVAL OF THE EIGHTH INTERIM DIVIDEND AND DISTRIBUTION OF
BALANCE OF FUNDS OWING TO PARTICIPATION UNIT HOLDERS)**

THIS MOTION by RSM Richter Inc. in its capacity as liquidator (the "Liquidator") of the estate and effects of Distributionco Inc. (formerly 1381052 Ontario Inc.) ("Distributionco") for an Order, *inter alia*, approving a final distribution to holders of Participation Units and an eighth interim distribution to creditors of Distributionco ("Class I Creditors") and ancillary relief including the establishment of a process for obtaining Social Insurance Numbers ("SIN") and Business Tax Numbers ("BTN") from Canadian Participation Unit holders and a process for obtaining current mailing addresses

from Class I Creditors who have failed to cash one or more previous distribution cheques (“Unresponsive Class I Creditors”), was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario.

ON READING the Eighth Report to Court of RSM Richter Inc. in its capacity as liquidator of Distributionco dated December 18, 2006 (the “Eighth Report”) and on hearing the submissions of counsel for the Liquidator and counsel for the employee representative of The T. Eaton Company Limited, no one else appearing although duly served as appears from the Affidavit of Service of Kimberly Sellers sworn December 20, 2006, filed,

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that the motion is properly returnable today and hereby dispenses with service of the aforesaid materials on interested parties not served.
2. THIS COURT ORDERS that any capitalized term used but not defined in this Order shall have the meaning ascribed to it in the Eighth Report.
3. THIS COURT ORDERS that, subject to the provisions of Paragraph 4 of this Order, the Liquidator be and is hereby authorized and directed to issue an eighth interim distribution to the Class I Creditors in the amount of two cents on the dollar on account of their Class I Distribution Claims (the “Eighth Distribution”).

4. THIS COURT ORDERS that the Liquidator be and is hereby authorized and directed to implement the following process in respect of Unresponsive Class I Creditors:

- (a) the Liquidator shall place an advertisement in *The Globe and Mail* (National Edition) and *La Presse* newspapers, substantially in the form attached hereto as Exhibit "A" (the "Notice") on two occasions, the first on or before January 22, 2007 and the second during the month of February, 2007 directing all Unresponsive Class I Creditors to provide a current mailing address to the Liquidator in writing or by either (A) inputting such information into a web page established for that purpose on the Liquidator's website (the "Web Page"), or (B) providing such information to an attendant answering a dedicated telephone hotline established for that purpose by the Liquidator (the "Hotline");
- (b) all Unresponsive Class I Creditors who do not provide the Liquidator with a current mailing address in the manner set out in the Notice on or before 5:00 p.m. (Toronto time) on July 13, 2007 (the "Mailing Address Deadline") shall forfeit and are hereby deemed to have forfeited their right to receive:
 - (i) their share of the Eighth Distribution; and
 - (ii) any amount being held by the Liquidator in respect of previous distributions to those Unresponsive Class I Creditors,

and all amounts so forfeited shall be shared among the Responsive Class I Creditors and the Unresponsive Class I Creditors who provide a current mailing address on or before the Mailing Address Deadline in accordance with the Notice, *pro rata*. In calculating the *pro rata* share of each Responsive Class I Creditor and Unresponsive Class I Creditor who provides a current mailing address on or before the Mailing Address Deadline for the purpose of this subparagraph, the numerator shall be the amount of each such Class I Creditor's claim and the denominator shall be the total claims of all Responsive Class I Creditors and Unresponsive Class I Creditors who provide a current mailing address on or before the Mailing Address Deadline in accordance with the Notice;

- (c) the Liquidator shall maintain the Web Page and Hotline until such time as a final distribution is made to Class I Creditors so that Class I Creditors may provide the Liquidator with updated mailing addresses from time to time; provided, however that the Liquidator shall not be required to issue any further Notice or advertisement to solicit current mailing addresses from Class I Creditors; and
- (d) any Unresponsive Class I Creditor who fails to provide a current mailing address on or before the Mailing Address Deadline in accordance with the Notice but who subsequently provides a current mailing address to the Liquidator shall be entitled to its *pro rata* share of any distributions that take place after such information is received by the Liquidator.

5. THIS COURT ORDERS THAT the Liquidator be and is hereby authorized and directed to issue a final distribution to holders of Participation Units (the "PUH Final Distribution") distributing the balance remaining in the Certificate Payment Account in accordance with the Order of the Honourable Justice Mesbur dated June 6, 2006, subject to the following:

- (a) the Liquidator shall hold back \$100,000 (the "PUH Holdback") from the PUH Final Distribution to fund its fees and disbursements and the fees and disbursements of its legal counsel, and other costs associated with the PUH Final Distribution;
- (b) the Liquidator shall send a communication to all holders entitled to participate in the PUH Final Distribution with Canadian addresses, as reflected in the books and records of the Liquidator (the "Canadian Holders") (not including Canadian Holders who would receive \$50 or less from the PUH Final Distribution but for this Order) requesting that the Canadian Holders provide to the Liquidator, in writing, their SINS, in the case of individuals, or their BTNs, in the case of corporations, by no later than 5:00 pm (Toronto time) on March 31, 2007 (the "SIN/BTN Deadline");
- (c) Canadian Holders that do not provide a SIN or BTN to the Liquidator on or before the SIN/BTN Deadline shall forfeit and are hereby deemed to have forfeited their entitlement to participate in the PUH Final Distribution;

- (d) prior to making a PUH Final Distribution to a Participation Unit holder the Liquidator shall provide the Canada Revenue Agency (“CRA”) with the name and address of the Participation Unit holder to whom a distribution is proposed to be made, and the amount to be received by such Participation Unit holder from the PUH Final Distribution;
- (e) the Liquidator shall not make a PUH Final Distribution to Participation Unit holders who would receive \$50 or less from the PUH Final Distribution and all such Participation Unit holders shall forfeit and are hereby deemed to have forfeited their right to receive a share of the PUH Final Distribution;
- (f) as soon as reasonably possible following receipt of a SIN or BTN from a Canadian Holder, the Liquidator shall distribute the Participation Unit holder’s *pro rata* share of the PUH Final Distribution to the Canadian Holder, along with a T5 tax slip indicating the amount paid. In calculating the *pro rata* share of a Canadian Holder under this subparagraph (f), the numerator shall be the number of Participation Units held by the Canadian Holder and the denominator shall be the total number of Participation Units outstanding;
- (g) in the case of Participation Unit holders without Canadian addresses, as soon as reasonably possible following the issuance and entry of this Order, the Liquidator shall distribute the Participation Unit holder’s *pro rata* share of the PUH Final Distribution to the Participation Unit holder along

with an NR4 tax slip indicating the amount paid and the tax withheld therefrom. In calculating the *pro rata* share of a Participation Unit holder without a Canadian address under this paragraph (g), the numerator shall be the number of Participation Units held by the Participation Unit holder and the denominator shall be the total number of Participation Units outstanding;

- (h) the Liquidator shall complete the PUH Final Distribution on or before May 1, 2007 or such later date as the Court may order;

6. THIS COURT ORDERS that pursuant to section 7 of the *Personal Information Protection and Electronic Documents Act* (Canada) and notwithstanding the provisions of any similar provincial legislation or provincial or federal legislation dealing with the protection of personal information, the Liquidator be and is hereby authorized and directed to collect, use and disclose personal information of Participation Unit holders and Class I Creditors including, without limitation, addresses, SINs and BTNs and such personal information as the Liquidator might reasonably require in its sole discretion to verify information provided to the Liquidator pursuant to this Order, to the extent necessary or desirable to comply with the provisions of this Order and the Liquidator shall bear no liability for doing so under any such legislation.

7. THIS COURT ORDERS that the activities of the Liquidator to date, as set out in the Eighth Report be and are hereby approved.

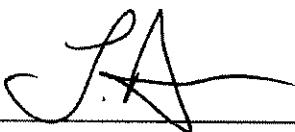
8. THIS COURT ORDERS that any information required to be provided to the Liquidator pursuant to this Order shall be provided via the Web Page or the Hotline

(in the case only of current mailing addresses of Unresponsive Class I creditors) or in writing by courier, personal delivery or facsimile transmission addressed to:

The Liquidator
c/o RSM Richter Inc., Liquidator of Distributionco Inc.
200 King Street West
Suite 1100, P.O. Box 48
Toronto, Ontario M5H 3T4

Attention: Gus Tertigas
Email: gtertigas@rsmrichter.com
Fax: 416.932.6200

Any information so provided shall be deemed received only upon actual receipt thereof during normal business hours on any day on which banks are generally open for business in Toronto, Ontario other than a Saturday or a Sunday (a "Business Day") and information received after normal business hours on any day shall be deemed received on the next Business Day.



Joseph Doria
Registrar, Superior Court of Justice

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

DEC 22 2006

PER/PAR:



Exhibit "A"

THE T. EATON COMPANY LIMITED ("EATON")

TO ALL FORMER EMPLOYEES AND CREDITORS OF EATON
("Class 1 Creditors")

To date, RSM Richter Inc. in its capacity as Liquidator of certain assets of Eaton's (the "Liquidator"), has issued seven dividends (the "Previous Dividends") totaling approximately \$115 million and representing 50% of Class 1 Creditor claims. By Order of the Ontario Superior Court of Justice dated December 22, 2006 (the "Order"), the Liquidator has been authorized to issue an eighth dividend (the "Eighth Dividend") to Class 1 Creditors in the amount of two cents on the dollar.

A number of uncashed dividend cheques have been returned to the Liquidator apparently because the Creditors have failed to provide their current mailing addresses. In order to deal with this situation, the Order provides that Class 1 Creditors who have not received one or more of the Previous Dividends who do not provide the Liquidator with a current mailing address on or before **5:00 p.m. (Toronto time) on July 13, 2007**, will forfeit their rights to all Previous Dividends and to the Eighth Dividend.

Class 1 Creditors may provide their current mailing address to the Liquidator by:

- Website: [insert URL];

or

- Telephone hotline: (514) 934-8670 or 1-800-246-1125

or

- Courier, personal delivery or facsimile addressed to:

The Liquidator
c/o RSM Richter Inc., Liquidator of Distributionco Inc.
200 King Street West
Suite 1100, P.O. Box 48
Toronto, Ontario M5H 3T4
Attention: Gus Tertigas
Fax: 416.932.6200

A copy of the Order may be viewed on the Liquidator's website at www.rsmrichter.com/[insert remainder of URL].

RSM RICHTER INC.

**IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, c. B-16, s. 182, AS AMENDED
AND IN THE MATTER OF AN APPLICATION BY THE T. EATON COMPANY LIMITED RELATING TO A PROPOSED ARRANGEMENT INVOLVING THE
T. EATON COMPANY LIMITED AND ITS SECURITYHOLDERS AND 1381052 ONTARIO INC.**

Applicant

Court File No. 99-CL-3514

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

Proceeding commenced at TORONTO

ORDER

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Solicitors for RSM Richter Inc., in its capacity as
Liquidator of Distributionco Inc.