

**SUPERIOR COURT**  
(Commercial Division)

**CANADA**  
**PROVINCE OF QUEBEC**  
**DISTRICT OF MONTREAL**

**No: 500-11-041238-110**

**DATE: January 20, 2012**

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**PRESENT: THE HONOURABLE JEAN-YVES LALONDE, J.S.C.**

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

**HART STORES INC. / MAGASINS HART INC.**

Petitioner

- and -

**RSM RICHTER INC.**

Monitor

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**ORDER**

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**ON READING** the Petitioner's motion for an order for a fourth of the stay period, for authorization to file a plan of arrangement and for other relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "CCAA") and the exhibits, and the affidavit of Robert Harritt filed in support thereof (the "**Motion**");

**CONSIDERING** the terms of the Initial Order rendered in these proceedings on August 30, 2011 (the "**Filing Date**") with respect to the Petitioner, pursuant to the CCAA;

**CONSIDERING** the order rendered on September 28, 2011 extending the Stay Period, as such term is defined in the Initial Order, until November 4, 2011, and granting other relief (the "**First Renewal Order**");

**CONSIDERING** the order rendered on November 4, 2011 extending the Stay Period, as such term is defined in the Initial Order, until January 18, 2012, and granting other relief (the "**Second Renewal Order**");

**CONSIDERING** the order rendered on January 18, 2012 extending the Stay Period, as such term is defined in the Initial Order, until January 20, 2012 (the “**Third Renewal Order**”);

**CONSIDERING** the order rendered on November 28, 2011 setting the claims and meetings procedure (the “**Claims and Meeting Order**”);

**CONSIDERING** the representations of the parties;

**ON READING** the Fourth Report of the Monitor on the state of the Debtor’s financial affairs filed in support of the Motion (the “**Monitor’s Report**”);

**GIVEN** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

- 1       **GRANTS** the Motion;
- 2       **DECLARES** that sufficient prior notice of the presentation of this Motion has been given by the Petitioner to interested parties;
- 3       **DECLARES** that capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Plan of Arrangement;
- 4       **EXTENDS** the Stay Period (as such term is defined in the Initial Order) until and including March 14, 2012, the whole subject to all other terms of the Initial Order;
- 5       **AUTHORIZES** the Petitioner to file the Plan of Arrangement, Exhibit R-1, as adjusted to account for the extension of the Claim Bar Date provided for below, and submit same to the vote of its Affected Creditors at a meeting to be held on February 15, 2012 (subject to any adjournment thereof or later date as may be agreed to by the Monitor and the DIP Lender) and to seek approval thereof in accordance with the Claims and Meeting Order;
- 6       **ORDERS** that the Petitioner, in consultation with the Monitor and the DIP Lender, be and is hereby authorized to file any modification of, or amendment or supplement to, the Plan of Arrangement by way of a supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) (each a “**Plan Modification**”) at or before the Creditors’ Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan of Arrangement. The Petitioner shall file any Plan Modification with the Court as soon as practicable. The Petitioner shall give notice to Affected Creditors of the details of any Plan Modification at the Creditors’ Meeting prior to the vote being taken to approve the Plan of Arrangement. The Petitioner may give notice of a Plan Modification at or before the Creditors’ Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy. The

Monitor shall post on its website at [www.rsmrichter.com/Restructuring/Hart.aspx](http://www.rsmrichter.com/Restructuring/Hart.aspx), as soon as possible, before or after the Creditors' Meeting, as the case may be, any such Plan Modification;

- 7 **ORDERS** that, for purposes of considering and voting on the Plan of Arrangement, the Affected Creditors Class shall be as set forth in the Plan of Arrangement;
- 8 **ORDERS** that the Monitor shall report to this Court no later than three (3) Business Days prior to the date chosen for the Sanction Hearing, as hereafter defined, with respect to: (a) the results of the voting on the Resolution to approve the Plan of Arrangement; (b) the effect on the results of the vote had the Affected Creditors also voted the amount of their Affected Claims that were disputed for voting purposes; and (c) any other matter that the Monitor considers relevant in view of the Sanction Hearing;
- 9 **ORDERS** that, subject to further order of this Court, if the Plan of Arrangement has been accepted by the Required Majorities, the Petitioner shall bring an application before this Court on or before February 27, 2012 (or such later date as may be agreed to with the DIP Lender) seeking the Sanction Order (the "**Sanction Hearing**");
- 10 **ORDERS** that a copy of the application seeking the Sanction Order shall be published on the Monitor's website at [www.rsmrichter.com/Restructuring/Hart.aspx](http://www.rsmrichter.com/Restructuring/Hart.aspx) as soon as possible after it is filed with this Court;
- 11 **ORDERS** that publication of the Notice to Creditors (as defined in the Claims and Meeting Order) and this Order in accordance with paragraphs 19 and 20 of the Claims and Meeting Order shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who may be entitled to receive such service and no other form of service needs to be made and no other materials need to be served on such Persons in respect of the Sanction Hearing;
- 12 **ORDERS** that any Person intending to object to the application seeking the Sanction Order shall file with this Court a written notice containing a description of its proposed grounds of objection and shall effect service of same upon counsel to the Petitioner, the Monitor and the DIP Lender, and upon those Persons listed on the Service List, the whole before 4:30 p.m. (Montreal time) on February 24, 2012;
- 13 **ORDERS** that, in the event that the Sanction Hearing is adjourned, postponed or otherwise rescheduled, only those Persons listed on the Service List or that have filed and served a notice of objection pursuant to paragraph 12 hereof are required to be served with notice of the adjourned, postponed or otherwise rescheduled date;

- 14     **ORDERS** that the Second Amending Agreement entered into between the Petitioner and the DIP Lender and dated as of January 18, 2012 (the “**Second Amending Agreement**”), Exhibit R-2, is hereby approved and any reference in the Initial Order, or any other order rendered in these proceedings to the DIP Commitment Letter shall refer to the “DIP Commitment Letter as amended by the Second Amending Agreement”;
- 15     **DECLARES** that the Second Amending Agreement is a DIP Financing Document (as such term is defined in the Initial Order) and that all provisions of the Initial Order relating to the DIP Financing Documents shall apply *mutatis mutandis*, to the Second Amending Agreement;
- 16     **ORDERS** that the unredacted version of Exhibit R-2 provided to this Court during the hearing be kept confidential and under seal in the Court Record;
- 17     **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 14 to 16 hereof unless either (a) notice of a motion for such order is served on the DIP Lender and the Petitioner by the moving party within seven (7) days after that party was served with or otherwise notified of the Order or (b) the DIP Lender applies for or consents to such order;
- 18     **VARIES** the Claims and Meeting Order to extend the Claims Bar Date from January 12, 2012 to January 31, 2012, and **ORDERS** that any reference to the Claims Bar Date shall be deemed a reference to the Claims Bar Date, as extended by this Order;
- 19     **ORDERS** the Monitor to advise the Creditors of the extension of the Claims Bar Date by means of the sending of a notice in form and content substantially similar to the form appended hereto as Schedule “A”, which is hereby approved;
- 20     **DECLARES** that any proof of claim filed with the Monitor after January 12, 2012, but before the making of this Order, shall be deemed to have been filed with the Monitor prior to the Claims Bar Date;
- 21     **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
- 22     **ORDERS** provisional execution notwithstanding appeal;

23 **THE WHOLE** without costs, save in case of contestation.

Montreal, January 20, 2012



Jean-Yves Lalonde, J.S.C.

COPIE CONFORME



Greffier adjoint

**SCHEDULE « A »**

# AVIS IMPORTANT

## MODIFICATION de la Date limite pour le dépôt des réclamations

Cher créancier,

Avis est par les présentes donné aux créanciers de la Requérante, Magasins Hart Inc. / Hart Stores Inc., qu'une ordonnance rendue le 20 janvier 2012 a prolongé au 31 janvier 2012, la date limite pour le dépôt des réclamations nées au plus tard le 30 août 2011 (la « Date limite modifiée de dépôt des réclamations »).

Si vous n'avez pas encore déposé votre preuve de réclamation auprès du Contrôleur, RSM Richter Inc., veuillez prendre note que toute preuve de réclamation déposée auprès du Contrôleur doit être reçue par ce dernier, **au plus tard le 31 janvier 2012 à 17 heures, heure de Montréal**, pour les réclamations nées au plus tard le 30 août 2011 (la « Date limite modifiée de dépôt des réclamations »).

Les créanciers qui n'auront pas déposé une preuve de réclamation accompagnée des documents justificatifs à la Date limite modifiée de dépôt des réclamations conformément à l'Ordonnance et aux instructions connexes, ne recevront aucun autre avis et, à moins d'une nouvelle ordonnance de la Cour supérieure, i) ne seront pas en droit de participer aux procédures en tant que créanciers, ii) ne seront pas en droit de voter sur toute question relative à ces procédures, y compris le Plan d'arrangement et de transaction déposé par la Requérante (le « Plan »), iii) ne seront pas en droit de faire valoir toute réclamation contre la Requérante, iv) ni ne seront en droit de recevoir quelque distribution que ce soit aux termes du Plan.

Nous vous invitons à consulter le formulaire de preuve de réclamation ainsi que la lettre d'instructions qui l'accompagne sur le site internet du Contrôleur à l'adresse suivante :

<http://www.rsmrichter.com/Restructuration/Hart.aspx>

La preuve de réclamation peut être déposée par poste régulière, par télécopieur, par messagerie ou par courrier électronique à l'adresse suivante :

**RSM Richter Inc.**

(en sa capacité de Contrôleur désigné par la Cour  
de Magasins Hart Inc. / Hart Stores Inc.)

2, Place Alexis Nihon, bureau 1820  
Montréal (Québec) H3Z 3C2

À l'attention de : Benoit Gingues, CA, CIRP

Télécopieur : 514.934.8603

Courriel : [reclamations@rsmrichter.com](mailto:reclamations@rsmrichter.com)

# IMPORTANT NOTICE

## AMENDMENT to the Claims Bar Date

Dear Creditor,

Notice is hereby given to the creditors of the Petitioner, Magasins Hart Inc. / Hart Stores Inc. that an Order rendered on January 20, 2012 extended to January 31, 2012 the Claims Bar Date for claims which arose up to and including August 30, 2011 (the "Extended Claims Bar Date").

If you have not filed your proof of claim with the Monitor, RSM Richter Inc., please note that any proof of claim filed with the Monitor must be received by him **no later than January 31, 2012 at 5:00 p.m., Montreal Time**, for claims which arose up to and including August 30, 2011 (the "Extended Claims Bar Date").

Creditors who will not have filed a proof of claim with the supporting documents by the Amended Claims Bar Date, in compliance with the Order and instructions thereto, will receive no other notice, and unless a new Order is rendered by the Superior Court, (i) shall not be entitled to participate as a creditor in these proceedings, (ii) shall not be entitled to vote on any matter relating to these proceedings, including the Plan of compromise and arrangement filed by the Petitioner (the "Plan"), (iii) shall not be entitled to assert any claim against the Petitioner, (iv) and shall not be entitled to receive any distribution under the Plan.

We refer you to the proof of claim form as well as the accompanying instruction letter which are available on the Monitor's website at the following address:

<http://www.rsmrichter.com/Restructuring/Hart.aspx>

The proof of claim may be filed by regular mail, by facsimile, by messenger or by any other means of electronic mail addressed to:

**RSM Richter Inc.**

(In its capacity as Court-appointed Monitor  
to Hart Stores Inc. / Magasins Hart Inc.)  
2 Place Alexis Nihon, Suite 1820  
Montreal, Quebec H3Z 3C2

Attention: Benoit Gingues, CA, CIRP

Fax: 514.934.8603

Email: [claims@rsmrichter.com](mailto:claims@rsmrichter.com)