

**COURT FILE NO.: 08-CL-7841
DATE: 20090319**

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

**RE: 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 INTERTAN CANADA LTD. AND
TOURMALET CORPORATION**

APPLICANTS

BEFORE: MORAWETZ J.

COUNSEL: Jeremy Dacks and Gillian Scott, for the Applicants

**Fred Myers and L. Joseph Latham, for Alvarez & Marsal Canada ULC,
Monitor**

Ashley John Taylor, for 4458729 Canada Inc. and Bell Canada

Kevin McElcheran, for the Cadillac Fairview Corporation Limited

Natalie Renner, for Star Choice Communications

Rahool Agarwal, for Bank of America

**Harvey Garman, for Garmin International, Inc. and Rogers
Communications**

David Foulds, for Foto Source Canada Inc.

**Linda Gallessiere, for OMERS Realty Management Corporation,
Ivanhoe Cambridge 1 Inc., Morguard Investments Limited and 20 VIC
management Inc. on behalf of OPB Realty Inc., Retrocom Limited
Partnership and 920076 Ontario Limited o/a The Southridge Mall**

HEARD

& RELEASED: MARCH 9, 2009

ENDORSEMENT

[1] The Applicants move for approval of the sale transaction contemplated by the Asset Purchase Agreement ("APA") with 4458729 Canada Inc. (the "Purchaser") and Bell Canada (the "Sale Transaction").

[2] The Sale Transaction is a going concern sale. The Sale Transaction covers the entire footprint of The Source. If completed, it will preserve the jobs of the employees as well as the operating locations of The Source. The Monitor believes that, subject to the outcome of the Pre-Filing Claims Process and any process related to the adjudication of any restructuring claims which may arise in connection with the Sale Transaction, it appears likely at this time that the Applicants' unsecured creditors will be paid in full, following closing of the Sale Transaction.

[3] The motion was not opposed.

[4] The sale process has been outlined in previous court motions. I am satisfied that the process has been conducted in accordance with the Sale Process Order which was granted December 5, 2008.

[5] The record details the involvement of N. M. Rothschild and Sons Canada Securities Limited who were engaged to assist the Applicants in conducting a going concern sale process.

[6] The record also details that there were eleven Indicative Bids which were subsequently followed by four proposals from bidders.

[7] Ultimately after discussions among the Applicants, the Monitor and Rothschild, it became apparent to these three parties that the offer of the Purchaser was superior to the other bids in price and other criteria.

[8] The Affidavit of Mr. Wong, filed in support of this motion details the efforts of the Applicants and Rothschild to market the InterTAN business. The Monitor has reviewed the efforts undertaken by the Applicants and Rothschild and is of the view that the assets have had significant exposure to a substantial number of prospective purchasers, and that there has been sufficient marketing of the business to conclude that the APA represents the best value that can be reasonably realized for InterTAN's business in the circumstances.

[9] I accept the views of the Monitor. I am satisfied that the sales process was carried out fairly and appropriately at all stages, with efficacy and integrity. I agree with the Monitor's assessment that the APA considers the interests of all stakeholders, including the Applicants' shareholder and that the APA represents the best option available.

[10] The principles set forth by the Court of Appeal in *Royal Bank v. Soundair Corp.*, (1991) 4 O.R. (3d) 1 (C.A.) for the sale of assets in a receivership have been accepted as appropriate

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principles to consider in a sale of assets in a CCAA proceeding (see *PSINet Ltd., Re* (2001) 28 C.B.R. (4th) 95 (S.C.J.) and *Tiger Brand Knitting Co., Re* (2005) 9 C.B.R. (5th) 315 (S.C.J.)).

[11] I am satisfied that the principles have been adhered to in this case such that it is appropriate to approve the APA. The sale is in my view commercially reasonable in the circumstances. In addition, I am satisfied that the Intercompany Agreement and the Foto Source Settlement Agreements should be approved as they are, in my view, necessary and reasonable adjuncts to the APA.

[12] The Monitor filed a Confidential Supplement to the Sixth Report. Having reviewed the document I have reached the conclusion that this document contains sensitive commercial information, the disclosure of which could be prejudicial to the interests of the stakeholders of InterTAN. In my view, it is appropriate to grant a sealing order in respect of this document, which relief was requested by the Applicants and the Monitor.

[13] The closing of the APA is not expected to take place for a few months. The current Stay Period expires March 31, 2009. I am satisfied that the Applicants continue to work in good faith and with due diligence such that an extension of the stay to the requested date of July 3, 2009 is appropriate. An order to this effect is granted.

[14] The expected result of this CCAA proceeding is most beneficial to InterTAN's stakeholders and the Court extends its appreciation to those involved who have contributed to the result today.


MORAWETZ J.

DATE: **Typed Version Released March 19, 2009**