

**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 ARRANGEMENT OF INTERTAN CANADA LTD.
AND TOURMALET CORPORATION**

APPLICANTS

**NOTICE OF MOTION
(returnable April 26, 2010)**

Alvarez & Marsal Canada ULC, in its capacity as Monitor (the "Monitor") of InterTAN Canada Ltd. ("InterTAN") and Tourmalet Corporation (collectively, the "Applicants"), appointed by Order of this Honourable Court dated November 10, 2008, as subsequently amended and restated on December 5, 2008 (the "Initial Order"), will make a motion before the Honourable Mr. Justice Morawetz on Monday, April 26, 2010, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario,

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order abridging the time for service and filing of the Notice of Motion, Motion Record and the Thirteenth Report of the Monitor dated April 21, 2010 (the "Thirteenth Report"), if necessary;
2. An Order approving the Thirteenth Report of the Monitor and the actions and activities of the Monitor described therein;
3. An Order approving the fees and disbursements of the Monitor and its legal counsel as described in the Thirteenth Report;

4. An Order extending the Stay Period, as defined in the Order of this Honourable Court dated November 10, 2008, as subsequently amended and restated on December 5, 2008, and as subsequently extended by Orders of this Honourable Court, until August 31, 2010;
5. An Order approving a distribution of proceeds in the amount of \$207,706.62 (inclusive of interest calculated in the manner described in the Monitor's Thirteenth Report) to Thimens Industrial Development Corp. Ltd.;
6. An Order approving and ratifying the Cross-Border Insolvency Protocol attached as Appendix "A" to the Monitor's Thirteenth Report;
7. An Order approving the replacement of Ms. Michelle Mosier by Ms. Katie Bradshaw as Post-Closing Officer and extending the protection offered to the Post-Closing Officer pursuant to paragraph 9 of the Order dated June 29, 2009 to Ms. Bradshaw; and
8. Such further and other relief as to this Honourable Court seems just.

THE GROUNDS FOR THE MOTION ARE:

EXTENSION OF STAY PERIOD

1. The Stay Period currently expires on April 30, 2010 and the Monitor is proposing that the Stay Period be extended to August 31, 2010.
2. The Monitor has made substantial progress in reviewing, reconciling and administering the Proofs of Claim filed in the Claims Processes. However, six claims still remain to be determined. As well, there remain issues with respect to potential tax liabilities to French taxing authorities.
3. The Monitor believes that the Applicants have been and continue to act in good faith and with due diligence in these CCAA Proceedings. The extension as sought is necessary in order to complete the final stages of the Claims Processes and other matters.

DISTRIBUTION

4. In accordance with the terms of the Initial Order, the Monitor has been monitoring the business and financial operations of the Applicants in these restructuring proceedings.

5. By Order dated March 9, 2009, the Court approved the transaction of purchase and sale whereby the Purchaser (as defined therein) would acquire substantially all of the assets of InterTAN (the "Sale Transaction").

6. The Sale Transaction closed with effect as of 12:01 a.m. on July 1, 2009.

7. Pursuant to an Order dated December 7, 2009 (the "First Distribution Order"), the Monitor made distributions, from the proceeds of the Sale Transaction and other amounts received by or owing to InterTAN that were in the Monitor's possession, in the total amount of \$11,672,749.48 to those creditors and in the amounts set forth in Schedule "A" to the First Distribution Order, which amounts included interest on such claims calculated at a rate of 5% per annum.

8. By Order dated January 29, 2010 (the "Second Distribution Order"), this Honourable Court authorized and directed the Monitor to distribute the further amount of \$5,784,906.66 to those creditors and in the amounts set forth in Schedule "A" to the Second Distribution Order to pay those claims that had been resolved since the First Distribution Order, and which amounts included interest on such claims calculated at a rate of 5% per annum on the basis proposed in the Monitor's Twelfth Report.

9. The Second Distribution Order also provided that the Monitor was authorized and directed to make distributions to pay the 17 then unresolved claims in the InterTAN estate provided that the payment was for an amount less than the high end of the range for each such claim contained in Schedule "B" to the Second Distribution Order and provided that the Company, the Purchaser and the claimant agreed in writing to the payment amount.

10. Since the Second Distribution Order was issued, 10 of the remaining claims have been settled, and the Monitor has made payments in respect thereof pursuant to the Second Distribution Order.

11. In addition to the claims settled and paid pursuant to the Second Distribution Order, a settlement has been reached with Thimens Industrial Development Corp. Ltd. ("Thimens"), although the claim has been settled at an amount higher than the range set out for the Thimens claim in Schedule "B" to the Second Distribution Order. However, the Monitor recommends that it be authorized and directed to make payment to Thimens, by cheque to be issued no later than April 30, 2010, of \$207,706.62, representing the revised claim amount together with interest thereon at a rate of 5% per annum for the period from May 1, 2009 to April 30, 2010.

12. The Monitor recommends that it be authorized and directed to retain all funds remaining after payment of the Thimens claim, not to be further distributed unless in connection with the settlement of remaining claims in accordance with the Second Distribution Order or by further order of this Court.

CROSS-BORDER INSOLVENCY PROTOCOL

13. In the event there is to be an equity distribution, it is likely that both the Canadian Court and the U.S. Bankruptcy Court will be asked to make rulings and potentially conduct a joint hearing with respect to the implementation of a series of transactions designed to more tax effectively make a distribution to InterTAN's equity holder. In order to ensure coordination between the Courts and for a joint hearing to be held, a Protocol is needed between the Courts, but it would be for the limited purpose of dealing with matters related to the potential equity distribution.

14. The Protocol filed by the Applicants with this Honourable Court, and to be filed by the U.S. Debtors in the U.S. Bankruptcy Court, is designed to facilitate cooperation and potentially a joint hearing in connection with the potential equity distribution. The U.S. Bankruptcy Court's approval of the Protocol will be sought at a later date. The Protocol is not effective until approved by an Order of each of the U.S. Bankruptcy Court and this Honourable Court.

15. The Monitor and its counsel have reviewed the Protocol and the Monitor is satisfied that the Protocol is appropriate in the context of the CCAA Proceedings and is consistent with cross-border insolvency protocols implemented in other large cross-border restructurings.

16. The Monitor believes that the implementation of basic administrative procedures is necessary to coordinate the joint hearing in connection with the potential equity distribution, and to best maintain the Courts' respective independent jurisdiction and to give effect to the doctrine of comity.

APPROVAL OF FEES AND DISBURSEMENTS AND THIRTEENTH REPORT

17. Pursuant to paragraph 33 of the Initial Order, the Monitor and its legal counsel are required to pass their accounts from time to time before a judge of the Commercial List of the Ontario Superior Court of Justice.

18. The Thirteenth Report contains details of the Monitor's actions, activities, and fees and disbursements, as well as the fees and disbursements of its counsel.

19. Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

20. Rule 37 of the *Rules of Civil Procedure*.

21. Such further and other grounds as counsel may advise and this Honourable Court permits.

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

1. The Thirteenth Report of the Monitor dated April 21, 2010 and the appendices thereto;
2. The Affidavit of Douglas McIntosh sworn April 16, 2010 and the exhibits thereto;
3. The Affidavit of Jay Carfagnini sworn April 14, 2010 and the exhibits thereto; and
4. Such further and other materials as counsel may advise and this Honourable Court may permit.

April 21, 2010

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Proceeding commenced at Toronto

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