Court File No. 08-CL-7841

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

TWENTY-SECOND REPORT OF THE MONITOR

ALVAREZ & MARSAL CANADA ULC

APRIL 13, 2015

INTRODUCTION

1. By Order of this Court dated November 10, 2008, as subsequently amended and restated on December 5, 2008 (the "Initial Order"), InterTAN Canada Ltd. ("InterTAN") and Tourmalet Corporation ("Tourmalet" and together with InterTAN, the "Applicants") obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "CCAA") and Alvarez & Marsal Canada ULC ("A&M") was appointed monitor of the Applicants (the "Monitor"). These proceedings are referred to herein as the "CCAA Proceedings".

2. Concurrent with the commencement of the CCAA Proceedings, the Applicants' ultimate parent company, Circuit City Stores, Inc. ("Circuit City"), and certain of its U.S. affiliates (collectively, the "U.S. Debtors"), commenced proceedings under Chapter 11, Title 11 of the *United States Code*. These proceedings are referred to herein as the "Chapter 11 Proceedings".

3. The Monitor will be bringing a motion returnable on April 20, 2015, seeking, *inter alia*, (a) an Order authorizing a vertical short-form amalgamation of InterTAN and Tourmalet

under the provisions of the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81 (the "Amalgamation"), to form an unlimited liability company referred to herein as "Amalco"; (b) an Order authorizing the subsequent distribution by Amalco of its remaining cash (after the payment of all of the fees and disbursements of the Monitor and its counsel as may be approved in connection herewith) to Ventoux (the "Distribution") as one or more returns of capital in respect of the common shares of Amalco held by Ventoux; (c) an Order authorizing Amalco to be liquidated and dissolved following the Amalgamation, the Distribution and the termination of these proceedings; (d) an Order unsealing Confidential Appendix "A" to the Monitor's Fourteenth Report dated July 9, 2010 (the "Fourteenth Report"); (e) an Order unsealing Confidential Appendix "B" to the Monitor's Sixteenth Report dated October 6, 2010 (the "Sixteenth Report"); (f) an Order approving this report (the "Twenty-Second Report") and the actions and activities of the Monitor described herein; (g) an Order authorizing Amalco to assign and transfer to Ventoux all of the rights of the Applicants to pursue recovery of the Old Republic Cash Collateral (as herein defined); (h) an Order approving the fees and disbursements of the Monitor for the period from June 8, 2014 to April 9, 2015, as well as the fees and disbursements of its Canadian legal counsel, Goodmans LLP, for the period from June 5, 2014 to April 9, 2015; (i) an Order approving additional fees and disbursements of the Monitor of up to $25,000, plus HST, in order to complete this matter; (j) an Order approving additional fees and disbursements of Goodmans LLP of up to $25,000, plus HST, in order to complete this matter; (k) an Order extending the stay of proceedings herein until June 1, 2015 to permit the Amalgamation and the Distribution to take place; and (l) an Order that, upon the filing of a certificate by the Monitor confirming that the Amalgamation and the Distribution have been completed, the Monitor and its counsel shall be discharged and released and these proceedings shall be terminated.

4. The purpose of this Twenty-Second Report is to provide the Court with information concerning the Monitor's motion and the final steps needed to conclude this matter. For the reasons discussed below, the Monitor respectfully recommends that the Court grant the relief requested by the Monitor.

5. All terms not otherwise defined herein shall have the meanings ascribed to them in the Monitor's previous reports.

TERMS OF REFERENCE

6. In preparing this Twenty-Second Report, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by InterTAN or its tax advisors, and discussions with InterTAN's legal and tax advisors (collectively, the "**Information**").

7. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

8. The Monitor has requested that the Applicants' legal and tax advisors and Post-Closing Officer, Ms. Katie Bradshaw, bring to its attention any significant matters that were not addressed in the course of its specific inquiries. Accordingly, this report is based solely on the information (financial or otherwise) made available to the Monitor.

9. All references to dollars in this report are in Canadian currency unless otherwise noted.

BACKGROUND

10. As of the date of the Initial Order, InterTAN was a leading specialty retailer of consumer electronics in Canada and was the operating Canadian subsidiary of the U.S.-based electronics retailer Circuit City. Tourmalet is a Nova Scotia unlimited liability company that was an indirect, wholly-owned subsidiary of Circuit City. Tourmalet was a non-operating holding company whose sole asset was the preferred stock of InterTAN, Inc., which was the sole shareholder of InterTAN. Circuit City was the Applicants' ultimate parent company. Further background to InterTAN, Tourmalet and Circuit City is

contained in the materials filed relating to the Initial Order, including the Affidavit of Mark Wong sworn November 10, 2008. These documents, together with other information regarding the CCAA Proceedings, including the Initial Order and supporting affidavit, have been posted by the Monitor on its website at www.amcanadadocs.com/intertan.

11. On November 10, 2008, the U.S. Debtors commenced the Chapter 11 Proceedings in the United States Bankruptcy Court for the Eastern District of Virginia (the "U.S. Bankruptcy Court"). The U.S. Debtors have subsequently commenced and substantially completed a liquidation of their assets and property in the Chapter 11 Proceedings. The U.S. Bankruptcy Court also confirmed a plan of reorganization in respect of the U.S. Debtors. The Monitor understands that the plan has gone effective and that Circuit City and the other U.S. Debtors have effectively been replaced by a liquidating trust for the benefit of their unsecured creditors. A hyperlink to information concerning the U.S. Debtors' restructuring and liquidation can be found at www.kccllc.net.

12. On July 1, 2009, a sale of substantially all of the assets of InterTAN was completed. The Monitor has overseen a Court-ordered claims process, and all of the creditors of InterTAN have been paid in full, including interest. Tourmalet had no assets or liabilities other than the preferred shares of InterTAN, Inc., none of the proceeds held by the Monitor relate to the assets of Tourmalet and no claims were filed against Tourmalet in the claims process.

13. As at March 13, 2015, the Monitor was holding, in trust, the total amount of CDN $10,183,213.77 and US $94,327,368.30, representing the balance of the proceeds of the Sale Transaction and other accounts received by or owing to InterTAN, net of aggregate distributions to creditors of $24,496,015.72, as authorized by prior Orders of this Court. Attached hereto as Appendix "A" is a statement of receipts and disbursement from and to the Monitor's trust account prepared by the Monitor for the period to April 13, 2015.

14. Additional background information can be found in the prior reports submitted by the Monitor to this Court.

OLD REPUBLIC CASH COLLATERAL

15. Aside from financial retainers held by the Monitor, its counsel and counsel for the Applicants, the only remaining asset of the InterTAN estate is cash collateral estimated to be approximately USD$400,000 (the "**Old Republic Cash Collateral**") which is held by Old Republic Insurance Company of Canada ("**Old Republic**") in connection with a workers' compensation program that Old Republic had administered for InterTAN. Despite the efforts of the Monitor and the Applicants, Old Republic continues to hold the Old Republic Cash Collateral. Rather than the Monitor expending further time to attempt to recover this amount, the Monitor recommends that, after completion of the Amalgamation and in connection with the Distribution and the ultimate discharge of the Monitor, Amalco be authorized to assign its rights in the Old Republic Cash Collateral to Ventoux to permit Ventoux to further pursue same.

POTENTIAL FRENCH TAX LIABILITY

16. In its Twelfth through Twenty-First Reports, the Monitor reported that InterTAN had a subsidiary company located in France that had not operated for more than 10 years and that the Monitor had learned on April 16, 2010 that there was also a branch office of InterTAN in France. The Monitor also reported that the French subsidiary and branch were not formally wound-up after operations ceased and that the winding-up might result in potential tax liabilities to the French taxing authorities.

17. The issues surrounding those potential French tax liabilities were thoroughly assessed by French tax counsel to InterTAN (the firm of Gide, Loyrette Nouel) and vetted by French tax counsel to the Monitor (an attorney who was with the Paris office of Allen & Overy in 2010 and is currently practicing with the Paris office of Jones Day), and there was unanimity among the French tax advisors that, while the potential liability could be significant, the likelihood of such a liability arising was very low. In its first report to the Court after receiving those assessments, the Fourteenth Report, the Monitor submitted to the Court a separate Confidential Appendix, being Confidential Appendix "A" to the Fourteenth Report, which contained a summary of the assessment of the potential French tax liability and illustrated the different possible scenarios and corresponding potential

liabilities, all based on the advice provided by InterTAN's French counsel as reviewed by the Monitor's French counsel. By Order dated July 16, 2010, the Court granted a sealing order with respect to that Confidential Appendix "A".

18. Subsequently, in connection with a motion by the Applicants to permit them to, *inter alia*, take steps to address the potential French tax liability, the Monitor submitted to the Court a separate Confidential Appendix, being Confidential Appendix "B" to the Sixteenth Report, which contained a description of the manner in which InterTAN held its interest in the French subsidiary and branch office, and made recommendations concerning steps contemplated by InterTAN to formally wind-up those entities and to address the potential French Tax Liability, all in conformity with the advice received from French counsel to InterTAN and to the Monitor.

19. It now appears that the potential French tax liability has been resolved and, accordingly, the Monitor is in a position to provide additional information regarding this issue.

20. The InterTAN group used to carry out its activities in France through InterTAN France SNC ("SNC"), together with the French permanent establishment of InterTAN (which was also the main shareholder of SNC until its dissolution; the other shareholder of SNC was 587255 Ontario Ltd., itself a wholly owned subsidiary of InterTAN). In 1993, the InterTAN group decided to cease its business operations in Europe. On February 13, 1995, InterTAN was placed in judicial liquidation in France with respect to the French permanent establishment (the "French Judicial Liquidation"). On July 18, 1997, the French Judicial Liquidation was extended to SNC, due to the commingling of assets between the two entities. Between 1997 and 2000, the judicial liquidator sold the assets of SNC and paid its debts. During the liquidation process, French tax authorities conducted an audit of both SNC and the French permanent establishment of InterTAN and issued several tax re-assessments, which were subsequently resolved through a global settlement agreement with the French tax authorities. Ultimately, on January 21, 2000, a judgement of the relevant French commercial court closed the French Judicial Liquidation of both entities and stated that the liquidator had been able to pay all of the debts of the two entities. However, for reasons which are unclear, the steps to formally

wind-up SNC and remove it from the relevant Trade and Companies Registers were not completed at that time.

21. Subsequent to the claims bar date in these CCAA Proceedings (March 16, 2009), in their efforts to ensure that all InterTAN matters were finally resolved, InterTAN and its counsel determined that it should formally dissolve SNC. In January of 2010, counsel to the Applicants advised the Monitor and its counsel that steps to be taken to formally wind-up SNC could result in potential French tax liabilities for which InterTAN could be held directly liable under French tax rules.

22. As the Monitor advised in its Sixteenth Report, it would not support the Distribution until it was satisfied in its sole discretion with the resolution of the potential French tax liability. Following discussions between Canadian and French counsel for the Applicants, in order to address whether there was a potential French tax liability the Applicants undertook the following steps. 587255 Ontario Ltd. transferred its shares in SNC to InterTAN and then steps were taken by French counsel for the Applicants to dissolve SNC without liquidation into InterTAN. In this regard, the Monitor has been advised that on or about May 1, 2011 French counsel for the Applicants published notice of the dissolution without liquidation of SNC in both a French legal newspaper and in the official French gazette, which opened a 30-day period during which creditors could oppose the dissolution without liquidation. Once that 30 day period expired without opposition, the dissolution without liquidation of SNC was considered completed, becoming effective on May 30, 2011. The dissolution without liquidation was then registered with the French Trade and Companies Register and with the French tax authorities, and all of SNC's registered "establishments" were struck from the Trade and Companies Register. As a final step, SNC's tax returns for the financial years not covered by the standard statute of limitations, i.e. those closed at end of May 2007, May 2008, May 2009 and May 2010 and the year running from June 1, 2010 to May 30, 2011 were filed with the French tax authorities in or about June of 2011, together with a cover letter explaining why no tax returns had been filed since 1993. Each of these tax returns reflected zero taxes payable because all operations had ceased and all creditors had been paid by January of 2000.

23. Before InterTAN embarked on the above course of action, the Monitor and its counsel consulted with the Monitor's French tax counsel to confirm whether such actions and approach would ensure that any potential French tax liabilities would be properly addressed. The Monitor was advised that, if the French taxing authorities did not render an assessment of or appeal the tax returns filed for those years before the end of the third calendar year after they were filed (i.e., December 31, 2014), this would confirm that the French tax issues could be considered at an end and that no French tax liability existed. The Monitor had been advised that it was not possible to obtain an advance ruling from the French tax authorities, as might be the case in Canada, and accordingly the parties settled on the course of action noted above.

24. The Monitor is not aware of any assessments or other actions having been taken by the French taxing authorities. Further, the Monitor's French counsel confirmed with InterTAN's French counsel that they were not aware of any such steps having been taken.

25. On February 3, 2015, the Monitor received a written opinion from its French counsel that, under French law and subject to satisfactory assumptions, the standard statute of limitations is the end of the third year following the year in respect of which the tax is due, although that period can be extended to ten (10) years under certain specific and unusual circumstances, which the Monitor's French counsel has assumed would not apply in this case. The opinion also provides that, based on the assumed facts and assumptions detailed in the opinion, that the filed tax returns would be subject to the standard statute of limitations (i.e. December 31, 2010 for the 2007 tax return, December 31, 2011 for the 2008 tax return, December 31, 2012 for the 2009 tax return, December 31, 2013 for the 2010 tax return and December 31, 2014 for the 2011 tax return). Consequently, since the French tax authorities have taken no action in respect of the 2007 through 2011 tax returns, the Monitor's French counsel has opined that the relevant tax returns "are final and any related potential French tax liability is extinguished". A copy of the opinion rendered by the Monitor's French counsel is attached as Appendix "B".

26. The Monitor therefore believes that it is now appropriate to proceed to wind-up the estate of the Applicants. This will involve completing the remaining steps in the Reorganization Transactions (described below). The Monitor also believes that it is

appropriate for Confidential Appendix "A" to its Fourteenth Report and Confidential Appendix "B" to its Sixteenth Report to be unsealed and to form part of the public record.

REORGANIZATION TRANSACTIONS

27. As described in paragraphs 14 through 24 of the Monitor's Sixteenth Report, a copy of which without exhibits is attached hereto as Appendix "C", the Applicants and the U.S. Debtors, with input from the UCC and from the Monitor, proposed a series of corporate transactions (collectively, the "Reorganization Transactions") in order to ensure that InterTAN would be able to return to the U.S. Debtors, in a tax efficient manner, any funds remaining after all claims against InterTAN had been resolved. The ultimate objective of the Reorganization Transactions was to make Ventoux the sole and direct shareholder of the InterTAN corporate entity (which by then will be part of Amalco) so that any funds distributed by the Monitor on behalf of Amalco would be received as a return of equity and not result in a potential capital gain.

28. By Order dated October 13, 2010, the following steps in the Reorganization Transactions were authorized, and the Monitor has been advised that each of these transactions was completed shortly thereafter:

a) Ventoux transferred all of the issued and outstanding common shares in the capital stock of InterTAN, Inc. to Tourmalet, for a purchase price equal to the nominal fair market value of such shares. Tourmalet satisfied the purchase price by issuing to Ventoux one common share in the capital stock of Tourmalet having a fair market value equal to the purchase price;

b) Pursuant to the provisions of the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81, InterTAN applied for and obtained a certificate of continuance to continue as a company limited by shares under the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81. A copy of the Articles of Continuance of InterTAN dated October 25, 2010 is attached hereto as Appendix "C"; and

c) InterTAN, Inc. has been dissolved under the applicable Delaware law. A copy of InterTAN, Inc.'s Certificate of Dissolution dated October 26, 2010 is attached hereto as Appendix "D". In connection with its winding-up, InterTAN, Inc. distributed all of its property to Tourmalet, including all of the issued and outstanding common shares in the capital stock of InterTAN, and all of the liabilities and obligations of InterTAN, Inc. were assumed by Tourmalet.

29. The remaining steps in the Reorganization Transactions, which had been put on hold pending resolution of the potential French tax liability, were described as follows in the Sixteenth Report:

a) Tourmalet and InterTAN will effect a vertical short-form amalgamation under the provisions of the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81, to form an unlimited liability company referred to herein as "Amalco" (the "Amalgamation");

b) Once Amalco has settled all of the claims of the creditors of the Canadian estate, and subject to receiving the required approval from this Court, Amalco will distribute its remaining cash, after payment of the fees and disbursements of the Monitor and its counsel noted herein, to Ventoux as one or more returns of capital in respect of the common shares of InterTAN held by Ventoux (the "Distribution"); and

c) Following the foregoing transactions, in due course, Amalco will be liquidated and dissolved (the "Dissolution").

30. As the Monitor advised in its Sixteenth Report, it would not support the Amalgamation or the Distribution unless and until it was satisfied, in its sole discretion, with the resolution of the potential French tax liability. As discussed above, based on the advice of its French tax counsel, the Monitor is now satisfied that the potential French tax liability has been resolved and supports proceeding with the remaining steps in the Reorganization Transactions (specifically, the Amalgamation and the Distribution and, subsequently, the Dissolution of Amalco). Since all creditors of InterTAN have been paid in full, inclusive of interest, subject to the payment of the fees and disbursements of the Monitor and its counsel as noted herein, all of the remaining distributions should be paid to Ventoux as

the sole shareholder of Amalco. In this regard, the Dissolution will be completed after the Distribution by counsel to the Applicants or to the Circuit City Liquidating Trust ("**CCLT**"). Since Ventoux or CCLT will have all of the funds from the Applicants when the Dissolution takes place, the Monitor understands that the CCLT will be responsible for payment of all costs associated with the Dissolution, ensuring that the Monitor's role will be completed by the time that the Dissolution occurs.

APPROVAL OF THE MONITOR AND GOODMANS LLP'S FEES

31. Pursuant to paragraph 27 of the Initial Order, the Monitor was authorized to engage independent legal counsel (among others) to assist with the exercise of its powers and the performance of its obligations.

32. In accordance with paragraphs 32 and 33 of the Initial Order, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, and are required to pass their accounts from time to time. The Monitor and its counsel have passed their accounts on six prior occasions in this matter. The most recent was by Order dated June 24, 2014, a copy of which is attached hereto as **Appendix "E"**, wherein the fees and disbursements of the Monitor were approved for the period from June 16, 2012 to June 7, 2014 and the fees and disbursements of Goodmans LLP, the Monitor's Canadian counsel, were approved for the period from February 8, 2012 to May 29, 2014, as set out in paragraphs 25 and 26 of the Monitor's Twenty-First Report.

33. During the period from June 8, 2014 to April 9, 2015, the Monitor expended a total of 112.8 hours in connection with this matter, giving rise to fees and disbursements totalling $78,167.17 (inclusive of HST). Details of the hours spent, the hourly rates and total fees and disbursements of the Monitor for the period from June 8, 2014 to April 9, 2015 are included in the Affidavit of Douglas R. McIntosh sworn April 13, 2015.

34. As further detailed in the Affidavit of Douglas R. McIntosh, the Monitor has provided the Court with an estimate of the additional fees and disbursements that the Monitor expects to incur in connection with completion of this matter, including the steps required by the

Order being sought. In his affidavit, Mr. McIntosh estimates those additional fees and disbursements will not exceed $25,000, plus HST.

35. During the period from June 5, 2014 to April 9, 2015, Goodmans LLP expended a total of 137.1 hours in connection with this matter, giving rise to fees and disbursements totalling $97,156.00 (exclusive of HST). Details of the hours spent, the hourly rates and total fees and disbursements of Goodmans LLP for the period from June 5, 2014 to April 9, 2015, are included in the Affidavit of L. Joseph Latham sworn April 13, 2015.

36. As further detailed in the Affidavit of L. Joseph Latham, Goodmans has provided the Court with an estimate of the additional fees and disbursements that Goodmans LLP expects to incur in assisting the Monitor with the completion of this matter, including the steps required by the Order being sought. In his affidavit, Mr. Latham estimates those additional fees and disbursements to be $25,000, plus HST.

DISCHARGE AND RELEASE

37. After the Amalgamation and the Distribution have been completed, this matter will be concluded and the Monitor submits that it would be appropriate for it to be discharged and for it and its Canadian counsel, Goodmans LLP, to be released from any potential liabilities. The Monitor believes that, at the same time, these proceedings should be terminated. The Dissolution will not be completed by the Monitor, but either by counsel to the Applicants or counsel to the liquidating trust, and the Dissolution can be completed after the proceedings are terminated. For this reason, the Monitor recommends that the release and discharge of the Monitor and its counsel, and the termination of these proceedings, be authorized in the Order sought, to become effective on the filing by the Monitor of a certificate with this Court confirming that the Amalgamation and the Distribution have been completed.

MONITOR'S RECOMMENDATION

38. For the foregoing reasons, the Monitor respectfully recommends that:

(i) this Court authorize the completion of the Amalgamation;

(ii) this Court authorize the assignment to Ventoux of the rights of the Applicants in and to the Old Republic Cash Collateral;

(iii) this Court authorize the Monitor, once it has received evidence of the completion of the Amalgamation, to complete the Distribution by wiring the amount of CDN $10,183,213.77 and the amount of USD $94,327,368.30 to Ventoux to such bank accounts as Ventoux may direct in writing;

(iv) this Court authorize the Dissolution following the completion of the Amalgamation and the Distribution;

(v) Confidential Appendix "A" to the Monitor's Fourteenth Report and Confidential Appendix "B" to the Sixteenth Report both be unsealed;

(vi) this Twenty-Second Report and the actions and activities of the Monitor described herein be approved;

(vii) the Monitor's fees and disbursements for the period from June 8, 2014 to April 9, 2015, as well as the fees and disbursements of its Canadian legal counsel, Goodmans LLP, for the period from June 5, 2014 to April 9, 2015 be approved;

(viii) additional fees and disbursements of the Monitor of up to $25,000, plus HST, in order to complete this matter, be approved;

(ix) additional fees and disbursements of Goodmans LLP of up to $25,000, plus HST, in order to complete this matter, be approved;

(x) this Court extend the stay of proceedings herein to June 1, 2015 to permit the Amalgamation and the Distribution to be completed;

(xi) this Court order the release and discharge of the Monitor and its counsel, to become effective upon the filing with this Court of a Certificate confirming that the Amalgamation and the Distribution have been completed; and

(xii) this Court order the termination of these proceedings, to become effective upon the filing of a certificate by the Monitor that the Amalgamation and the Distribution have been completed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Toronto, Ontario this 13th day of April, 2015.

ALVAREZ & MARSAL CANADA ULC
in its capacity as Court appointed Monitor of
InterTAN Canada Ltd. and Tourmalet Corporation

Per: _____

Name: Douglas R. McIntosh
Title: Managing Director
I have the authority to bind the corporation

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INTERTAN CANADA LTD.
Summary of Receipts and Disbursements
Monitor's Trust Account (CDN & USD)
as of April 13, 2015

	CDN	USD
Receipts		
Shaw settlement proceeds	$1,510,913.96	
Transfers from Monitor's CDN trust account		$93,824,957.49
Transfers from InterTAN CDN/USD operating accounts	6,912,140.92	207,858.25
Transfer from escrow account	133,896,681.21	
Transfer from Real Estate escrow account	593,672.78	
Corporate tax refund	5,813,542.97	
FTI Consulting	125,000.00	
Return of legal fee retainer funds	6,208.13	
Accounts receivable assigned to InterTAN	824,080.96	
GST refund	464,927.98	
Insurance refund	10,419.00	
Deposit interest and miscellaneous	472,934.42	498,498.62
Total Receipts	$150,630,522.33	$94,531,314.36
Disbursements		
Distributions to Creditors	$24,279,381.42	
Professional Fees - Monitor	1,884,342.24	
- FTI	70,735.67	
- Monitor's U.S. counsel	71,581.45	
- Monitor's CDN counsel	899,478.07	
- Longview Communications	7,729.49	
- PwC	1,523,614.09	
- Lang Michener LLP	3,377.70	
- Osler	1,025,586.51	
- Gide Loyrette Nouel	254,538.98	
- KPMG LLP	29,500.55	
- Tough & Podrebarac	5,768.62	
- Spiegel Sohmer	14,347.09	
- McLean & Kerr LLP	14,657.16	
- Douglas Saunders	8,565.79	
- Denroche & Associates	966.74	
- Aikins, MacAulay & Thorvaldson LLP	256.92	
- Stewart McKelvey	18,541.81	
- Missierus Bidel	12,992.08	
- Jones Day	14,981.00	
The Source (Bell) - APA Working Capital Escrow	9,310,605.82	
- Cash Cut-Off Remittances	513,948.77	203,792.54
- Bill Morrison	19,981.96	
Director's fees	64,000.00	
Transfer to Real Estate escrow account	500,000.00	
Transfers to Monitor's USD account	96,675,351.71	
Rothschild's fees - GST & Expenses	122,533.49	
Newspaper notices	5,211.82	
Corporate taxes	379,382.94	
Printing costs (incl.postage, translations)	5,285.63	
Temporary Staffing	18,104.30	
Payroll costs	47,182.58	
Sales Tax remittances (June)	2,641,729.10	
Service fee / miscellaneous	3,047.06	153.52
Total Disbursements	$140,447,308.56	$203,946.06
Net Cash Flow	$10,183,213.77	$94,327,368.30

2

JONES DAY®

JP018541/JPV

To:	Alan Hutchens, Alvarez & Marsal Canada
From:	Siamak Mostafavi
Date:	3rd February, 2015
Re:	Opinion/French statute of limitations

Ladies and Gentlemen,

You have requested our opinion (**Opinion**) as to certain French corporate tax consequences of the situation summarised in (1) below.

The Opinion represents our best judgement as to the likely outcome of the issues discussed if presented to a French tax court; it is not binding on the French tax authorities (**FTA**) or the court. Thus, no assurance can be given that a French tax court would agree with the Opinion.

In preparing the Opinion, we have examined the documents you provided us with and we have assumed they are true and accurate. Furthermore, we have relied upon your representation that you have reviewed the factual matters and assumptions set forth herein and that such factual matters and assumptions are correct for the purposes of rendering the Opinion. In the event that the factual matters and assumptions so relied upon are incorrect, the Opinion could change.

We express no opinion as to any tax matter other than the one discussed below.

1. FACTS

Our understanding of the basic facts of the situation is as follows:

1.a General Background

- InterTAN Canada Ltd. (**InterTAN**) and Tourmalet Corporation (collectively, **Applicants**) brought an application before the Ontario Superior Court of Justice in Canada (**Ontario Court**) pursuant to the Canadian Companies' Creditors Arrangement Act (**CCAA Proceedings**).

- The Ontario Court made an order (**Initial Order**) on 10 November, 2008 (**Filing Date**) granting the Applicants protection from their creditors while InterTAN pursued a restructuring or going concern sale of the company under the CCAA.

- The Initial Order appointed Alvarez & Marsal Canada ULC (**Monitor**) as Monitor of the assets, undertakings and properties of the Applicants in the CCAA Proceedings.

- Concurrent with the CCAA Proceedings, the Applicants' ultimate parent company, Circuit City Stores, Inc. and certain affiliates (**US Debtors**), commenced proceedings under Chapter 11, Title 11 of the U.S. Bankruptcy Code (**Chapter 11 Proceedings**). The U.S. Debtors have substantially completed a liquidation of their assets and property in the Chapter 11 Proceedings and their estate is being administered by a trust.

- The Applicants, supported by the Monitor, commenced a Court ordered claims process on 10th February, 2009, which required that any claim against the Applicants in connection with any indebtedness, liability or obligation, be filed with the Monitor by 16th March, 2009 (**Claims Bar Date**).

- The Ontario Court approved a transaction of purchase and sale on 9th March, 2009, whereby a purchaser would acquire substantially all of the assets of Inter TAN (**Sale Transaction**), which closed with effect on 1st July, 2009.

- Subsequent to the Sale Transaction, the Ontario Court approved distributions to creditors, such that all claims allowed in the claims process were paid in full, together with interest at 5% accrued from the Filing Date.

1.b French Background

- The InterTAN group (**Group**) used to carry out its activities in France through InterTAN France SNC (**Company**), together with the French permanent establishment (**PE**) of InterTAN (also the main shareholder of the Company until its dissolution).

- In 1993, the Group decided to cease its business operations in Continental Europe.

- On 13th February, 1995, InterTAN was placed in judicial liquidation in France with respect to the PE (**French Judicial Liquidation**).

- On 18th July, 1997, the French Judicial Liquidation was extended to the Company, due to the commingling of assets between the two entities; the opening of the procedure triggered the automatic dissolution of the Company.

- On 21st January, 2000, a judgment, of the relevant French Commercial court, closed the French Judicial Liquidation of both entities and stated that the liquidator had been able to pay all the debts of the two entities.

- For reasons which are unclear, the steps to wind-up the Company were not completed.

- Subsequent to the Claims Bar Date, on or about January 2010, Counsel to the Applicants advised that steps to be taken to wind-up the Company could result in potential French tax liabilities to which InterTAN would be held directly liable under the French tax rules (**Potential French Tax Liability**).

- On Counsel's advice, it was proceeded with the so-called TUP, i.e. the dissolution without liquidation of the Company into InterTAN, and the TUP was made effective on 30th May, 2011 (**TUP Date**).

- On Counsel's advice, the Company's tax returns (**Tax Returns**) for the financial years not covered by the standard statute of limitations as defined below (**Standard SOL**), i.e. those closed at end May 2007 (**Tax Return 07**), May 2008 (**Tax Return 08**), May 2009 (**Tax Return 09**), May 2010 (**Tax Return 10**), and the year running from 1st June, 2010 to TUP Date (**Tax Return 11**) were filed with the FTA together with a covering letter.

2. QUERY

The Monitor has been holding the balance of the proceeds from the Sale Transaction in trust, subject to: i) the confirmation of a joint plan of liquidation (**Plan**) for the U.S. Debtors in the Chapter 11 Proceedings, ii) the completion of various prerequisite steps which would enable an effective distribution to the Applicant's shareholders, and iii) the resolution of any Potential French Tax Liability.

You have asked us to opine on the following query: assuming that the FTA would take no action in respect of the Tax Returns within the Standard SOL, could we conclude that the Tax Returns would be final and any related Potential French Tax Liability extinguished?

3. PRINCIPLES

- Under the first paragraph of article L. 169 of the French *Livre des procédures fiscales* (**LPF**)[1], the Standard SOL is the end of the third year following the year in respect of which the tax is due; e.g. a 1st January/31st December, 2011 financial year may be audited up to 31st December, 2014.

- The Standard SOL is extended under certain specific circumstances mentioned below.

- Under the second paragraph of article L. 169, the Standard SOL is extended to ten years in the case of so-called "hidden activities"; the hidden activities are deemed to exist where the taxpayer has not filed the relevant returns before the end of the statutory deadline, and it has either not declared its activities to certain relevant French organisations[2], or it has conducted an illegal activity (**Hidden Activities**).

[1] Book of tax procedures. All articles mentioned in this memorandum belong to LPF.

[2] *Centre de formalités des entreprises* or *greffe du tribunal de commerce.*

- Under the fourth paragraph of article L. 169, the Standard SOL is extended to ten years, in respect of certain missing tax filings, on profits or income generated by controlled foreign companies (**CFCs Non Filings**).

- Under the fifth paragraph of article L. 169, the Standard SOL is extended to ten years when the FTA has issued a notice of "*flagrance fiscale*", i.e. situations where the relevant FTA's representatives have witnessed gross fraudulent conduct by the taxpayer (**Tax Flagrancy**).

- Under article L. 187, the Standard SOL is increased by two years (subject to certain procedural conditions) in case of fraudulent activities resulting in a potential criminal liability (**Fraudulent Activities with Potential Criminal Liability**).

- Under article L. 188 B, if the FTA have pressed charges for tax fraud during the Standard SOL, the Standard SOL is extended to the end of the year following the year during which a decision issued in respect of such charges, it being said that it may not be extended beyond the end of of the tenth year after the year in respect of which the tax is due (**Tax Fraud**).

- Under article L. 188 A, the Standard SOL is extended when the FTA have required certain information from its foreign counterparts by application of the tax treaties signed by France (**Exchange of Information Procedure**); in such a case, the Standard SOL is extended to the end of the year following the year during which the FTA receive the answer of their foreign counterpart, it being said that such extension may not go beyond the end of the third year following the year during which the initial Standard SOL would have ended.

- Under article 188 C, if, during proceedings before a court of law, certain omissions or insufficiencies are revealed in respect of the taxable income of the relevant taxpayer, the FTA would have the right to audit such income until the end of the year following the year during which the relevant decision is issued by such court of law (but, in any case, not beyond the end of the tenth year after the year in respect of which the tax is due) (**Proceedings Discovery**).

4. ASSUMPTIONS

We have assumed, for the purposes of our opinion in 5. below, that the Company has not been involved in any of the circumstances (described in 3. above) which would result in an extension of the Standard SOL (**Extended SOL**), i.e.:

- Hidden Activities;

- CFCs Non Filings;

- Tax Flagrancy;

- Fraudulent Activities;

- Fraudulent Activities with Potential Criminal Liability;
- Tax Fraud;
- Exchange of Information Procedure;
- Proceedings Discovery.

We have assumed further that the attached letter (see Appendix 1) issued by the French law firm Gide is the conclusive evidence that the FTA have taken no action as of today in respect of the Tax Returns 07 to 11 (included).

5. OPINION

On the basis of the description of the facts in 1. above, and the assumptions listed in 4. above, we believe that, under the existing law, the filing of the Tax Returns should be subject to the Standard SOL, i.e., respectively, 31st December 2010 (for Tax Return 07), 31st December 2011 (for Tax Return 08), 31st December 2012 (for Tax Return 09), 31st December 2013 (for Tax Return 10), and 31st December 2014 (for Tax Return 11), and that the Extended SOL should not be applicable.

Accordingly, given that, on the basis of the letter attached in Appendix 1, the FTA have taken no action, as of today, in respect of Tax Returns 07 to 11 (included), we are of the opinion that the Tax Returns are final and any related potential French tax liability is extinguished.

The Opinion is based on the LPF as in effect on the date hereof, together with applicable regulations, case law and administrative rulings. In the event of any change in the body of law upon which the Opinion is based, the Opinion on the matters expressed herein may change. We disclaim any undertaking to advise you of any subsequent changes in applicable law.

Kind regards,

Siamak Mostafavi

Appendix 1

Letter from Gide
dated 23rd January, 2015

GIDE
GIDE LOYRETTE NOUEL

Bertrand Jouanneau
Tel.: +33 (0)1 40 75 94 39
jouanneau@gide.com

Siamak Mostafavi
Partner
Jones Day
2, rue Saint-Florentin
75001 Paris
France

Paris, 23 January 2015

By email

Re: InterTAN

Dear Siamak,

I confirm that, to my knowledge, I have not received any correspondence or queries from the French tax authorities regarding 587.225 Ontario Ltd, InterTAN France SNC and InterTAN Canada Ltd since 28 September 2011.

The last correspondence with the French tax authorities in this matter was, to my knowledge, an email from the *Service des Impôts des Entreprises étrangères* which confirmed that, due to the context, it was not necessary to register 587.225 Ontario Ltd with the French tax authorities further to the filing of the tax returns in 2011.

Yours sincerely,

Bertrand Jouanneau
Avocat à la Cour

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Court File No. 08-CL-7841

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

SIXTEENTH REPORT OF THE MONITOR

ALVAREZ & MARSAL CANADA ULC

October 6, 2010

INTRODUCTION

1. By Order of this Honourable Court dated November 10, 2008, as subsequently amended and restated on December 5, 2008 (the "Initial Order"), InterTAN Canada Ltd. ("InterTAN") and Tourmalet Corporation ("Tourmalet" and together with InterTAN, the "Applicants") obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "CCAA") and Alvarez & Marsal Canada ULC ("A&M") was appointed monitor of the Applicants (the "Monitor"). These proceedings are referred to herein as the "CCAA Proceedings".

2. Concurrent with the commencement of the CCAA Proceedings, the Applicants' ultimate parent company, Circuit City Stores, Inc. ("Circuit City"), and certain of its U.S. affiliates (collectively, the "U.S. Debtors"), commenced proceedings under Chapter 11, Title 11 of the *United States Code*. These proceedings are referred to herein as the "Chapter 11 Proceedings".

3. The Applicants will be bringing a motion returnable on October 13, 2010, seeking, *inter alia*, (a) an Order authorizing the acquisition by Tourmalet of all of the issued and

outstanding common shares in the capital stock of InterTAN, Inc. from Ventoux International, Inc. ("Ventoux") for consideration of one common share in the capital of Tourmalet; (b) an Order authorizing InterTAN to apply for a certificate of continuance in order to continue as a company limited by shares under the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81; (c) an Order authorizing Tourmalet, on the anticipated dissolution of InterTAN, Inc., to receive a distribution of all of InterTAN, Inc.'s property, including all of the issued and outstanding common shares in the capital stock of InterTAN, and to assume all of the liabilities and obligations of InterTAN, Inc.; (d) an Order that InterTAN, or any successor entity thereof, shall take no further steps to address the potential French tax liability relating to InterTAN France SNC or any related businesses or the claim of Revenu Québec without the consent of the Monitor or the Monitor's counsel; and (e) an Order approving this report (the "Sixteenth Report") and the actions and activities of the Monitor described herein.

4. The purpose of the Sixteenth Report is to provide the Court and the Applicants' stakeholders with information in support of the Applicants' motion to proceed with the Transfer, the Continuance and the Assumption (all as hereinafter defined). For the reasons discussed below, the Monitor respectfully recommends that the Court grant the relief requested by the Applicants.

5. All terms not otherwise defined herein shall have the meanings ascribed to them in the Monitor's previous reports.

TERMS OF REFERENCE

6. In preparing this report, the Monitor has relied upon unaudited financial information, InterTAN's books and records, financial information prepared by InterTAN and its advisors, and discussions with management of InterTAN and its advisors. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report.

7. Certain of the information referred to in this report may consist of or include forecasts and/or projections. An examination or review of financial forecasts and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

8. The Monitor has requested that the Applicants' legal and tax advisors and Post-Closing Officer, Ms. Katie Bradshaw, bring to its attention any significant matters that were not addressed in the course of its specific inquiries. Accordingly, this report is based solely on the information (financial or otherwise) made available to the Monitor.

9. All references to dollars in this report are in Canadian currency unless otherwise noted.

BACKGROUND

10. Further background to InterTAN, Tourmalet and Circuit City is contained in the materials filed relating to the Initial Order, including the Affidavit of Mark Wong sworn November 10, 2008. These documents, together with other information regarding the CCAA Proceedings, including the Initial Order and supporting affidavit, have been posted by the Monitor on its website at www.alvarezandmarsal.com/intertan.

11. On November 10, 2008, the U.S. Debtors commenced the Chapter 11 Proceedings in the United States Bankruptcy Court for the Eastern District of Virginia (the "U.S. Bankruptcy Court"). The U.S. Debtors have subsequently commenced and substantially completed a liquidation of their assets and property in the Chapter 11 Proceedings. The U.S. Bankruptcy Court also recently confirmed a plan of reorganization in respect of the U.S. Debtors. A hyperlink to information concerning the U.S. Debtors' restructuring and liquidation can be found at www.kccllc.net.

12. Additional background information can be found in the prior reports submitted by the Monitor to this Honourable Court.

13. On July 1, 2009, a sale of substantially all of the assets of InterTAN was completed. The Monitor has overseen a Court-ordered claims process, and substantially all of the creditors of InterTAN have been paid in full, including interest. The only claim remaining to be resolved pursuant to the Court-ordered claims process is the claim of Revenu Québec. Issues also remain with respect to the claims, if any, of French taxing authorities related to the liquidation of the French subsidiary of InterTAN, all of which are detailed in the Monitor's Twelfth, Thirteenth, Fourteenth and Fifteenth Reports. Tourmalet had no assets or liabilities other than the preferred shares of InterTAN, Inc., none of the proceeds held by the Monitor relate to the assets of Tourmalet and no claims were filed against Tourmalet in the claims process.

PROPOSED TRANSACTIONS

14. The Monitor is advised that, in May 2004, for consideration of approximately $260 million, Circuit City completed the acquisition of 100% of the common stock of InterTAN, Inc., a company incorporated pursuant to the laws of Delaware and the owner of 100% of the common shares of InterTAN. InterTAN, Inc. is a U.S. Debtor. InterTAN's current corporate structure results from the 2004 acquisition by Circuit City.

15. InterTAN was a leading specialty retailer of consumer electronics in Canada. It is a privately held Ontario corporation and the sole direct subsidiary of InterTAN, Inc. InterTAN, Inc. is owned by Ventoux, a Delaware corporation (and also a U.S. Debtor) and Tourmalet, a Nova Scotia unlimited liability company. Tourmalet is a non-operating holding company whose sole asset is the preferred stock of InterTAN, Inc. Tourmalet is in turn wholly owned by Ventoux, which is wholly owned by Circuit City. As such, InterTAN is an indirect wholly-owned subsidiary of Ventoux and therefore of Circuit City. A copy of a chart showing the organizational structure of the Applicants and related companies is attached hereto as Appendix "A".

16. Depending upon the resolution of the remaining claims in the estate of InterTAN, there may well be funds remaining which would have to be distributed to InterTAN's shareholder. However, the Monitor has been advised that the tax basis of the shares of InterTAN held by InterTAN, Inc. is zero, such that a distribution of equity to InterTAN,

Inc. would likely result in a capital gain and tax being assessed on such distribution, despite the fact that the distribution will not under any circumstances exceed the amount originally invested by the Circuit City group to acquire InterTAN.

17. Accordingly, the Applicants and the U.S. Debtors, with input from the Official Committee of Unsecured Creditors in the Chapter 11 Proceedings (the "UCC") and from the Monitor, have proposed a series of corporate transactions in order to ensure that InterTAN will be able to return any cash remaining after all claims of InterTAN have been resolved to the U.S. Debtors in the most tax efficient manner (the "Proposed Transactions"). The ultimate objective of the Proposed Transactions is to make Ventoux the sole and direct shareholder of the InterTAN corporate entity.

18. As a result of the discussions between the Applicants, the U.S. Debtors, the UCC and the Monitor, the Applicants and InterTAN, Inc. have obtained an Advance Income Tax Ruling from the Canada Revenue Agency dated September 7, 2010 regarding the Proposed Transactions. A copy of the Advance Income Tax Ruling is attached hereto as Appendix "C". The rulings provided in the Advance Tax Ruling are binding on the Canada Revenue Agency provided that the Proposed Transactions are completed by March 31, 2011. To the extent necessary, extensions to the March 31, 2011 date will be sought.

19. The Proposed Transactions being contemplated by the Applicants and the U.S. Debtors essentially consist of six steps, which are set out below (and are intended to proceed in the order set out below):

a) Ventoux will transfer all of the issued and outstanding common shares in the capital stock of InterTAN, Inc. to Tourmalet, for a purchase price equal to the fair market value of such shares, which is expected to be nominal. Tourmalet will satisfy the purchase price by issuing to Ventoux one common share in the capital stock of Tourmalet having a fair market value equal to the purchase price (the "Transfer");

b) InterTAN will, pursuant to the provisions of the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81, apply for and obtain a certificate of continuance to continue as a

company limited by shares under the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81 (the "Continuance");

c) InterTAN, Inc. will commence winding-up under the applicable Delaware law. In connection with its winding up, InterTAN, Inc. will distribute all of its property to Tourmalet, including all of the issued and outstanding common shares in the capital stock of InterTAN, and all of the liabilities and obligations of InterTAN, Inc. will be assumed by Tourmalet. In due course, InterTAN, Inc. will file a certificate of dissolution and upon the effectiveness of the certificate of dissolution, the corporate existence of InterTAN, Inc. will cease and its shares will be cancelled (the "Assumption");

d) Tourmalet and InterTAN will effect a vertical short-form amalgamation under the provisions of the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81, to form an unlimited liability company referred to herein as "Amalco" (the "Amalgamation");

e) Once Amalco has settled all of the claims of the creditors of the Canadian estate, and subject to receiving the required approval from this Honourable Court, Amalco will distribute its remaining cash (if any) to Ventoux as one or more returns of capital in respect of the common shares of InterTAN held by Ventoux (the "Distribution"); and

f) Following the foregoing transactions, in due course, Amalco will be liquidated and dissolved (the "Dissolution").

20. The U.S. Bankruptcy Court has now granted orders in the Chapter 11 Proceedings confirming a joint plan of liquidation (the "**Plan**") for the U.S. Debtors. The Monitor understands that the Plan, among other things, contemplates the dissolution of InterTAN, Inc., and the establishment of a liquidating trust to collect and distribute to the unsecured creditors of the U.S. Debtors all of the remaining assets. The Monitor further understands that, among the conditions precedent to the effectiveness of the Plan are the first three steps of the Proposed Transactions. The U.S. Debtors and the UCC did not move forward with the confirmation of the Plan until after the Advance Tax Ruling had been received and they had consulted with the Applicants and the Monitor to understand

which of the steps of the Proposed Transactions that the Applicants and the Monitor would be prepared to see happen at this stage of the CCAA Proceedings.

21. Accordingly, at this time, the Applicants, with the support of the Monitor, are only seeking authorization to complete the first three steps of the Proposed Transactions (i.e. the Transfer, the Continuance and the Assumption). As noted above, the Transfer, the Continuance and the Assumption are conditions precedent to the effectiveness of the Plan in the Chapter 11 Proceedings.

22. The Monitor has been advised by the U.S. Debtors and the UCC that, in the Chapter 11 Proceedings, the only remaining claims being asserted against InterTAN, Inc. are claims asserted by three insurance companies related to policies of different types applicable to all of the U.S. Debtors and in respect of which claims have been filed against all of the U.S. Debtors. The Monitor has been advised by counsel for the U.S. Debtors that one of these three claimants has agreed that it has no claim against InterTAN, Inc., and that the other two claims will likely be resolved in a similar manner shortly. In any event, Tourmalet, which will be assuming these potential liabilities through the Transfer and the Assumption, has no assets and no claims were filed against Tourmalet in these proceedings. Therefore, to assist in allowing the Advance Income Tax Ruling to be complied with and the Plan to go effective, the Monitor is prepared to support the Transfer, the Assumption and the Continuance proceeding at this stage.

23. If and when the remaining claims being asserted by the insurance companies against InterTAN, Inc. are resolved on a zero liability basis, such that the Applicants and the Monitor can be satisfied that there are no claims against InterTAN, Inc. which could be asserted in the Canadian proceedings concerning InterTAN, then the Monitor expects that it will be in a position to support permitting the Amalgamation to proceed.

24. Notwithstanding the foregoing commentary, the Monitor wishes to confirm that, in the discussions among the Applicants, the U.S. Debtors, the UCC and the Monitor concerning the Proposed Transactions, the Monitor has repeatedly and consistently advised the Applicants, the U.S. Debtors, the UCC and all of their advisors that the Monitor will not support any Distribution unless and until the Monitor is satisfied, in its

sole discretion, that the potential French tax liability issue described in prior Monitor's Reports (and in the Confidential Appendix (Appendix "B") hereto) has been resolved.

POTENTIAL FRENCH TAX LIABILITY

25. As previously reported in the Monitor's Twelfth, Thirteenth, Fourteenth and Fifteenth Reports, InterTAN has a subsidiary company located in France that has not operated for more than 10 years. The Monitor learned on April 16, 2010 that there was also a branch office of InterTAN in France. It appears that the subsidiary and the branch were not formally wound up after operations ceased. In connection with the winding up of the Applicants' operations, InterTAN may need to wind-up its French branch and subsidiary, which may result in potential tax liabilities to the French taxing authorities. The Monitor has been advised that InterTAN has received legal advice, from a French law firm, that it could be held directly liable under French tax law for any taxes assessed by the French authorities. The Monitor understands that InterTAN and the UCC are working towards a resolution of the potential French tax liability. The Monitor has also engaged French counsel to help it assess this potential liability and to assist in assessing how and when such liability may be resolved. The Monitor attached to its Fourteenth Report, as a separate confidential Appendix, a summary of the assessment of the potential French tax liability, which illustrated the different possible scenarios and corresponding potential liabilities, based on the advice provided by InterTAN's French counsel. However, the potential French tax liability could take years to resolve.

26. Attached hereto as a Confidential Appendix is a summary of the issues giving rise to the potential French tax liability and a recommendation to permit InterTAN to take the first step towards attempting to address and hopefully resolve those potential liabilities.

27. The matters discussed in the Confidential Appendix to this Report could, if they were made public, adversely affect the interests of certain stakeholders. However, the Monitor believes it is important for this Court to be aware of these issues. Accordingly, the Monitor requests that this Honourable Court seal the Confidential Appendix until further Order on notice to the Monitor. The Monitor believes that disclosure of this information presents a serious risk to an important interest and there are no reasonable alternative

measures that will prevent the risk. Moreover, the salutary effects of the order sought outweigh any deleterious effects as no third party has a legitimate expectation to review the privileged advice received by InterTAN or the Monitor, and those who might be curious would be prejudging the opportunities of themselves and others with economic interests in the estate to receive additional proceeds.

ONGOING MATTERS

28. Once the Transfer, the Continuance and the Assumption are complete, and the Plan has gone effective, the ultimate control of InterTAN will reside with the liquidating trust contemplated by the Plan. Given that there are currently only two remaining claims/potential liabilities in the estate of InterTAN (Revenu Québec and the potential French tax liability), that the Monitor has been involved in discussions concerning both of those claims/potential liabilities, and that the Monitor has advised all parties that it will not support the Amalgamation at this time or any Distribution unless and until it is satisfied in its sole discretion with the resolution of those claims/potential liabilities, the Monitor believes that it is now appropriate to ensure that any steps taken to address and resolve those claims/potential liabilities, or any steps in connection with the Amalgamation, the Distribution or the Dissolution, may only be taken with the consent of the Monitor or the Monitor's counsel. To that end, the Monitor seeks an order to that effect.

MONITOR'S RECOMMENDATION

29. For the foregoing reasons, the Monitor respectfully recommends that:

(i) the Transfer of all of the issued and outstanding common shares in the capital stock of InterTAN, Inc. from Ventoux to Tourmalet be authorized on the terms noted above;

(ii) InterTAN be authorized to apply for a certificate of continuance in order to continue as a company limited by shares under the Nova Scotia *Companies Act*, R.S.N.S. 1989, c. 81;

(iii) the Assumption by Tourmalet of InterTAN, Inc.'s property, including all of the issued and outstanding common shares in the capital stock of InterTAN, and of InterTAN, Inc.'s liabilities and obligations be authorized;

(iv) InterTAN be authorized to take the step outlined in the Confidential Appendix hereto in furtherance of the resolution of the potential French tax liabilities described therein; and

(v) this Sixteenth Report and the activities of the Monitor described herein be approved.

30. The Monitor respectfully recommends and requests that:

(i) InterTAN, or any successor entity thereof, be ordered not to take any further steps to address the potential French tax liability or the claim of Revenu Québec, or to take any steps in connection with the Amalgamation, the Distribution or the Dissolution, without the consent of the Monitor or the Monitor's counsel; and

(ii) Appendix "B" to the Sixteenth Report be treated as confidential, sealed and not form part of the public record, pending further Order of this Court.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Toronto, Ontario this 6th day of October, 2010.

ALVAREZ & MARSAL CANADA ULC
in its capacity as Court appointed Monitor of
InterTAN Canada Ltd. and Tourmalet Corporation

Per: _____

Name: Douglas R. McIntosh
Title: Managing Director
I have the authority to bind the corporation

4

Nova Scotia

CERTIFICATE OF CONTINUANCE

Companies Act

Registry Number

3091467

I HEREBY CERTIFY that

INTERTAN CANADA LTD.

a subsisting company incorporated under the laws of Ontario, has satisfied the Registrar that the provisions of Section 133 of the Nova Scotia Companies Act, R.S.N.S., 1989, and any amendments thereto, have been complied with.

I FURTHER CERTIFY that the aforementioned company is hereby continued in the Province of Nova Scotia effective October 25, 2010.

Registrar of Joint Stock Companies

October 25, 2010

Date of Continuance

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Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DISSOLUTION OF "INTERTAN, INC.", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF OCTOBER, A.D. 2010, AT 3:26 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

2094808 8100

AUTHENTICATION: 8314587

101029290

DATE: 10-27-10

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:26 PM 10/26/2010
FILED 03:26 PM 10/26/2010
SRV 101029290 - 2094808 FILE

CERTIFICATE OF DISSOLUTION
OF
INTERTAN, INC.

Pursuant to Section 275 of the General
Corporation Law of the State of Delaware

InterTAN, Inc., a Delaware corporation (the "Corporation"), hereby certifies as follows:

FIRST: The name of the Corporation is InterTAN, Inc.

SECOND: The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State is June 26, 1986.

THIRD: The dissolution of the Corporation was authorized on October 26, 2010.

FOURTH: The dissolution of the Corporation has been authorized by the Board of Directors and the sole stockholder of the Corporation in accordance with subsections (a) and (b) of Section 275 and Section 228 of the General Corporation Law of the State of Delaware.

FIFTH: The respective names and addresses of the directors and officers of the Corporation are as follows:

NAME	OFFICE	ADDRESS
Jeffrey A. McDonald	Director Chief Financial Officer, Treasurer and Secretary	P.O. Box 5695 Glen Allen, VA 23058-5695
Catherine Bradshaw	Director President	P.O. Box 5695 Glen Allen, VA 23058-5695
Heather M. Ferguson	Director Assistant Treasurer	P.O. Box 5695 Glen Allen, VA 23058-5695

IN WITNESS WHEREOF, this Certificate of Dissolution has been executed as of this 26th day of October, 2010.

INTERTAN, INC.

By: Catherine W. Bradshaw
Name: Catherine Bradshaw
Title: President

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERTAN CANADA LTD. AND TOURMALET CORPORATION

Court File No.: 08-CL-7841

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

TWENTY-SECOND REPORT OF THE MONITOR

GOODMANS LLP
Barristers & Solicitors
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Lawyers for the Monitor