

**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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Applicant

THIRD REPORT OF THE MONITOR

JANUARY 22, 2018



Grant Thornton

**Grant Thornton Limited,
Monitor of the Applicant
under the *Companies' Creditors
Arrangement Act***

200 King Street West, 11th Floor
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INTRODUCTION

1. On September 19, 2017, Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee (the "**Applicant**" or "**Toys Canada**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that day, the Court issued an Order (as amended and restated, the "**Initial Order**") granting the Applicant's requested relief and appointing Grant Thornton Limited as monitor (the "**Monitor**") in the CCAA Proceedings.
2. The Initial Order, among other things, granted a stay of proceedings in favour of Toys Canada until and including October 19, 2017, or such later date as the Court may order (the "**Stay Period**") and authorized Toys Canada to obtain interim financing pursuant to an interim financing credit facility (the "**DIP Facility**") from a group of lenders led by JPMorgan Chase Bank, N.A. (collectively, the "**DIP Lenders**"). On October 11, 2017,

and December 11, 2017, the Court made further orders extending the Stay Period, ultimately to January 26, 2018.

3. On September 18, 2017, Toys “R” Us Inc. (“**Toys Inc.**”), certain of its U.S. subsidiaries and Toys Canada (collectively, the “**Debtors**”) filed voluntary petitions for relief pursuant to Title 11, Chapter 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Virginia (the “**U.S. Court**”) (the “**Chapter 11 Proceedings**”).
4. On December 4, 2017, Toys “R” Us Limited (“**Toys UK**”), an indirect subsidiary of Toys Inc. that carries on business in the United Kingdom (the “**UK**”), initiated a company voluntary arrangement (the “**CVA**”) under Part 1 of the UK *Insolvency Act 1986*. Under the CVA process, Toys UK submitted an operational restructuring plan to its creditors to reposition its real estate portfolio commencing in 2018. The CVA was approved by the requisite majority of unsecured creditors at a meeting held on December 21, 2017 (98% of unsecured creditors voted in favour of the CVA). The CVA was open to challenge in the High Court of England until January 19, 2018.
5. The affidavit of Melanie Teed-Murch (the “**Initial Affidavit**”), the President and a director of Toys Canada, sworn on September 19, 2017 and filed in connection with the CCAA Proceedings, describes, *inter alia*, the Applicant’s background, including the reasons for the requested CCAA Proceedings.
6. On January 18, 2018, Ms. Teed-Murch swore a further affidavit (the “**Fourth Teed-Murch Affidavit**”) in support of the Applicant’s motion returnable January 25, 2018.
7. Capitalized terms not otherwise defined in this Third Report have the meanings ascribed to them in the proposed Claims Procedure Order (as defined below) or the Initial Affidavit, as applicable.

8. Materials with respect to the CCAA Proceedings, including motion materials, Monitor's reports and the Orders and endorsements issued by the Court, are accessible on the Monitor's website at: www.GrantThornton.ca/toysrus (the "**Monitor's Website**").

PURPOSE OF THE THIRD REPORT

9. The purpose of this Third Report of the Monitor (the "**Third Report**") is to advise the Court with respect to:

- (a) the Monitor's activities since December 7, 2017, the date of the Monitor's second report to Court (the "**Second Report**");
- (b) the Applicant's operations, communications with stakeholders, and other activities conducted since the date of the Second Report;
- (c) developments in the Chapter 11 Proceedings; and
- (d) Toys Canada's request for Orders:
 - i. establishing a process for the identification of claims against the Applicant and its present and former directors and officers (the "**Claims Procedure Order**");
 - ii. extending the Stay Period to April 27, 2018;
 - iii. approving certain minor amendments to the Cross-Border Protocol approved pursuant to the Initial Order (as amended, the "**Amended Cross-Border Protocol**") to ensure consistency with the amended form of Cross-Border Protocol approved by the U.S. Bankruptcy Court;
 - iv. approving the activities of the Monitor as set out in this Third Report, the Second Report and the First Report of the Monitor dated October 6, 2017 (the "**First Report**"); and

- v. approving the fees and disbursements of the Monitor and its counsel, as summarized in this Third Report and detailed in the corresponding fee affidavits attached hereto as **Appendices “1”, “2” and “3”**.

SCOPE AND TERMS OF REFERENCE

10. In preparing this Third Report, the Monitor has relied upon unaudited financial information provided by the Applicant, the Applicant's records, financial information and projections provided by the Applicant's financial advisor, Alvarez & Marsal Canada ULC (the **“Financial Advisor”**), and discussions with the Applicant's senior management (the **“Management”**), including Melanie Teed-Murch (President). While the Monitor reviewed various documents provided by the Applicant (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards (**“GAAS”**), Generally Accepted Accounting Principles (**“GAAP”**), or International Financial Reporting Standards (**“IFRS”**). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.
11. Some of the information used and relied upon in preparing this Third Report consists of financial projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Applicant's actual results may vary from the cash flow projections, even if the hypothetical and probable assumptions set forth therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to

prepare this Third Report did not constitute an audit of such information under Generally Accepted Auditing Standards, GAAP or IFRS.

12. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Applicant and the Financial Advisor within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, the Monitor has relied upon the information (financial or otherwise) made available to the Monitor by the Financial Advisor, the Applicant and its Management in connection with the preparation of this Third Report.
13. This Third Report has been prepared for the use of this Court and the Applicant's stakeholders as general information relating to the Applicant and to assist the Court in determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.
14. All references to dollars are in Canadian currency unless otherwise noted.

ACTIVITIES OF THE MONITOR

15. The Monitor's activities through December 7, 2017 are described in the First Report and the Second Report. Copies of the First Report and the Second Report (without

appendices) are attached hereto as **Appendices “4”** and **“5”**, respectively. Since the date of the Second Report, the Monitor’s activities have included, among other things:

- (a) corresponding and meeting with the Applicant and its Management, Financial Advisor and legal counsel;
- (b) corresponding and meeting with the Monitor’s legal counsel, Cassels Brock & Blackwell LLP (**“Cassels Brock”**) and its U.S. legal counsel, Allen & Overy LLP (**“A&O”**);
- (c) attending on a weekly basis a conference call that includes representatives of, among others, the Debtors (including the Applicant), the Financial Advisor and the DIP Lenders, the purpose of which is for the DIP Lenders to be provided with an update on the restructuring proceedings and operations, and to ask questions of the Debtors in respect of same;
- (d) reviewing reporting provided by the Applicant to the DIP Lenders;
- (e) corresponding regularly with the Applicant and the Financial Advisor regarding payments proposed by the Applicant to be made pursuant to section 7(g) of the Initial Order in respect of pre-filing balances;
- (f) reviewing budget to actual reporting of the Applicant’s receipts and disbursements;
- (g) corresponding with certain of the Applicant’s creditors, landlords and other stakeholders and assisting in facilitating payment arrangements with certain creditors;

- (h) reviewing court materials filed in respect of the CCAA Proceedings and the Chapter 11 Proceedings;
- (i) maintaining the Monitor's Website as required;
- (j) maintaining a toll-free telephone number and dedicated email address for contacting the Monitor in respect of the CCAA Proceedings;
- (k) answering numerous stakeholders' questions and inquiries regarding these proceedings;
- (l) attending at Court for the motion to approve the KERP and the TAD Program (as such terms are defined in the Second Report); and
- (m) preparing this Third Report.

ACTIVITIES OF THE APPLICANT

16. Since the date of the Second Report, the Applicant's activities in connection with these CCAA Proceedings have included, among other things:
- (a) communicating with various stakeholders and their advisors regarding the CCAA Proceedings, in consultation with the Monitor and the Financial Advisor;
 - (b) making payments to vendors as contemplated by the cash flow projection filed with the materials that supported the request for extension of the initial Stay Period and consistent with the DIP Facility budget;
 - (c) corresponding regularly with suppliers, the Monitor and the Financial Advisor regarding payments proposed to be made pursuant to section 7(g) of the Initial Order in respect of pre-filing balances;

- (d) working with suppliers to negotiate continuing trade terms;
- (e) working with the Monitor to establish and implement a monitoring protocol in respect of the Applicant's receipts and disbursements;
- (f) reporting to the Monitor on a weekly basis in respect of the Applicant's receipts and disbursements;
- (g) having discussions with certain landlords; and
- (h) working with the other Debtors and their collective advisors with respect to the Chapter 11 Proceedings.

UPDATE ON US CHAPTER 11 PROCEEDINGS AND THE US CLAIMS PROCEDURE

17. As noted, the Debtors commenced the Chapter 11 Proceedings on September 18, 2017, the day before the CCAA Proceedings were commenced. U.S. Bankruptcy Court Judge Keith L. Phillips presides over the Chapter 11 Proceedings. A summary of the principal orders, motions, and other filings made during the period from and including the Petition Date to December 7, 2017 was provided in the First Report and Second Report.
18. A summary of certain additional orders, motions and other filings since the date of the Second Report is provided in **Appendix "6"** hereto. Of note, as described in Appendix "6" the Debtors filed a claims bar motion (the "**U.S. Claims Bar Motion**"), which was heard on December 19, 2017 in the Chapter 11 Proceedings. On December 21, 2017, the U.S. Bankruptcy Court issued an order (the "**Chapter 11 Claims Order**") approving a claims process for claims against the Chapter 11 Debtors (the "**Chapter 11 Claims Process**").

19. Paragraph 2 of the Chapter 11 Claims Order provides that, except with respect to certain notification and coordination matters, the Chapter 11 Claims Order does not apply to Toys Canada and that Toys Canada shall be permitted to implement a claims process in the CCAA Proceedings. The “Bar Date Notice” approved pursuant to the Chapter 11 Claims Order states that the Chapter 11 Claims Order does not apply to Toys Canada and that claims in respect of Toys Canada must be filed pursuant to the process established in the CCAA Proceedings.
20. The Chapter 11 Claims Order contains a process for notification and publication of the Chapter 11 Claims Process, procedures for the filing of proofs of claim, and bar dates by which claims in respect of the Chapter 11 Debtors other than Toys Canada must be filed. Pursuant to the Chapter 11 Claims Order, the “General Claims Bar Date” in respect of general, prepetition claims is April 6, 2018, the same bar date that is proposed in the Claims Procedure Order.
21. To ensure that creditors that inadvertently file claims against Toys Canada in the Chapter 11 Claims Process are redirected to the Claims Procedure in the CCAA Proceedings, the Chapter 11 Claims Order provides that the Chapter 11 Debtors shall, or shall cause Prime Clerk (their noticing and claims agent) to, promptly provide the Monitor and the Applicant with copies of all proofs of claim inadvertently filed in the Chapter 11 Claims Process that relate to Toys Canada. As described below, the Claims Procedure Order provides for the recognition in the Claims Procedure of claims against Toys Canada that are inadvertently but timely filed in the Chapter 11 Claims Process.
22. In mid-January 2018, the Monitor was advised by the Applicant that the Bar Date Notice in respect of the Chapter 11 Claims Process was delivered by Prime Clerk to certain vendors, employees and other stakeholders of Toys Canada. While the Bar Date Notice

indicates that the Chapter 11 Claims Process does not apply to claims in respect of Toys Canada, a notice to this effect has also been posted on the Monitor's website.

CLAIMS PROCEDURE

Introduction

23. The Applicant is seeking approval to conduct the Claims Procedure to solicit and identify claims against the Applicant and its present and former directors and officers.
24. The Claims Procedure Order contemplates the Monitor playing a central role in the claims process, with support and information provided by the Applicant and its advisors.
25. Approval of the Claims Procedure Order is being sought at this time in order to coordinate with the Chapter 11 Claims Process, to efficiently identify the potential universe of claims that may exist against the Applicant, and to assess the impact such claims may have with respect to Toys "R" Us' restructuring efforts.
26. The Claims Procedure does not apply to (a) any Claim secured by any of the Charges granted pursuant to the Initial Order; (b) any Claim of a Chapter 11 Debtor or other affiliate of the Applicant; or (c) any Claim in respect of an obligation referenced in paragraph 7(d) or 7(e) of the Initial Order (related to customer warranty obligations, loyalty programs and prepaid gift cards).
27. The proposed Claims Procedure Order contains the following bar dates:
 - (a) in respect of Pre-Filing Claims and Director and Officer Claims, 5:00 p.m. on April 6, 2018 (the "**Claims Bar Date**"); and
 - (b) in respect of Restructuring Period Claims, 5:00 p.m. on the later of (i) the Claims Bar Date, and (ii) the date that is thirty (30) days after the date on which the

Monitor sends such person a Claim Document Package (the later of such dates being the “**Restructuring Period Claims Bar Date**”).

28. The Claims Bar Date in the CCAA Proceedings is the same date as the “General Claims Bar Date” in the Chapter 11 Claims Process. The Claims Procedure Order provides for the delivery of Claim Document Packages to Known Creditors by no later than February 8, 2018. Accordingly, creditors will have approximately eight weeks to submit a Proof of Claim or Notice of Dispute of Claim Statement, as applicable.
29. Any person who is required to but does not deliver a Proof of Claim (or a Notice of Dispute of Claim Statement, as applicable) to the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable: (i) shall not be entitled to attend or vote at a Meeting in respect of such Claim; (ii) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise; (iii) shall not be entitled to any further notice in the CCAA Proceedings (unless such person is otherwise on the CCAA service list); and (iv) shall be forever barred from making or enforcing such Claim against the Applicant or the Directors or Officers, and such Claim shall be extinguished.
30. The Applicant intends to seek Court approval of procedures for the assessment and final determination of Claims at a later date.

Process

31. The Claims Procedure includes a “negative assurance claims process” in which the Applicant may determine, with the consent of the Monitor, to deliver to a Known Creditor a claim statement in the form attached as Schedule “D” to the Claims Procedure Order (the “**Claim Statement**”).

32. The Claim Statement will specify the classification, amount and nature of the known creditor's claim as determined by the Applicant, with the consent of the Monitor, based on the books and records of the Applicant (the "**Listed Claim**").
33. A creditor that agrees with its Listed Claim is not required to take any further action or to file a Proof of Claim, and the Claim of such Creditor shall be deemed to be the Listed Claim set forth in the Claim Statement (subject to potential revision in accordance with the Claims Procedure Order, with the consent of the Monitor).
34. Any creditor that wishes to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement delivered to such Creditor or to assert an additional Claim in relation to the Applicant is required to deliver a notice of dispute, in the form attached as Schedule "E" to the Claims Procedure Order (the "**Notice of Dispute of Claim Statement**"), to the Monitor by no later than the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable.
35. Any creditor that does not deliver a Notice of Dispute of Claim Statement by the applicable bar date will be forever barred from disputing the information in the applicable Claim Statement.
36. The Claims Procedure Order provides that any creditor who does not receive a Claim Statement and that wishes to assert a Claim against the Applicant or the Directors or Officers must deliver to the Monitor, on or before the applicable bar date, a proof of claim in the form attached as Schedule "C" to the Claims Procedure Order, together with all supporting documentation in respect of such Claim.

37. The Claims Procedure Order defines “Claim” to include claims against current and former Directors and Officers of the Applicant. Any creditor that wishes to assert a Claim against the Directors or Officers must comply with the procedures set out above.
38. The Claims Procedure Order does not establish a dispute resolution process for Proofs of Claim or Notices of Dispute of Claim Statement.

Notice

39. The Claims Procedure Order requires the Monitor to deliver to each Known Creditor (meaning any creditor that the Applicant is aware of from its books and records or otherwise), within ten (10) business days of the granting of the Claims Procedure Order, a Claim Document Package containing:
 - (a) an Instruction Letter;
 - (b) a Notice to Creditors; and
 - (c) (i) a Claim Statement and Notice of Dispute of Claim Statement or (ii) a Proof of Claim, as applicable and as determined by the Applicant, with the consent of the Monitor.
40. The Claims Procedure Order provides that the Monitor shall also take the following actions to provide notice of the Claims Procedure:
 - (a) cause the Notice to Creditors to be published on or before February 7, 2018 in The Globe and Mail (National Edition) and Le Devoir;

- (b) post a copy of the Claims Procedure Order, the Claim Document Package, and the Applicant's motion record in respect of the Claims Procedure on the Monitor's case website;
- (c) deliver a Claim Document Package to any person claiming to be a creditor and requesting such material in writing; and
- (d) provide a Claim Document Package to any person upon becoming aware of any circumstance giving rise to a Restructuring Period Claim.

CASH FLOW PROJECTION

- 41. The Applicant has prepared a revised cash flow projection (the "**Cash Flow Projection**"), on a weekly basis, from January 7, 2018 to May 5, 2018 (the "**Cash Flow Period**"). The Cash Flow Projection is attached to the Third Teed-Murch Affidavit as Exhibit "C". The Cash Flow Projection has been prepared by Management using probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").
- 42. The Monitor has reviewed the Cash Flow Projection to the standard required of a Court-appointed Monitor by s. 23(1)(b) of the CCAA. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by management and employees of the Applicant and the Financial Advisor. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by Management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow

Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

- (a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Projection;
 - (b) as at the date of this Third Report, the Probable and Hypothetical Assumptions developed by management are not suitably supported and consistent with the Applicant's plans or do not provide a reasonable basis for the Cash Flow Projection, given the Probable and Hypothetical Assumptions; or
 - (c) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.
43. The Cash Flow Projection estimates that during the Cash Flow Period, the Applicant is projecting total receipts of \$243 million, total operating disbursements of \$319 million (excluding interest and professional fees), professional fees of \$2.8 million and interest and loan fees of \$9.9 million, for total disbursements of approximately \$331 million.
44. The Monitor makes the following comments with respect to the Cash Flow Projection:
- (a) The cash projected to be utilized during this period primarily relates to payments to vendors following the holiday season during which time vendor balances are at annual peaks;
 - (b) Interest and fees relate to the Canadian DIP Term Loan Facility only. No amounts are forecast to be drawn on the Canadian DIP Revolving Facility during the Cash Flow Period;

(c) Capital expenditures are forecast based on Toys Canada's current capital plan and include certain store renovations planned to commence in Q1 2018; and

(d) The Cash Flow Projection indicates that at the end of the Cash Flow Period, being May 5, 2018, the Applicant projects to have a closing cash balance of \$35.5 million, with no amounts drawn on the Canadian DIP Revolving Facility and US\$200 million drawn on the Canadian DIP Term Loan Facility (which was fully drawn at the outset of the CCAA Proceedings).

OPERATING RESULTS

45. In accordance with the Initial Order, the Monitor has reviewed the Applicant's receipts and disbursements since the date of the Initial Order.
46. The Applicant has remained current in respect of its obligations that have arisen since the issuance of the Initial Order.
47. The table below summarizes receipts and disbursements for the 16-week period from September 19, 2017 to January 6, 2018 (the "**Reporting Period**"), as compared to: (a) the cash flow forecast attached as Exhibit "D" to the Affidavit of Melanie Teed-Murch sworn September 19, 2017 for the 13-week period ended December 16, 2017; and (b) the cash flow forecast attached as Exhibit "B" to the Affidavit of Melanie Teed-Murch sworn October 4, 2017 for the three-week period ended January 6, 2018, (together the "**Initial Cash Flow Forecast**").

Toys "R" Us (Canada) Ltd.

Schedule of actual to budget cash flow variances

(Unaudited)

(In \$'000 CAD)

	Cumulative Sixteen-Weeks Ended January 6, 2018		
	Budget	Actual	Variance
Receipts	469,222	504,196	34,974
Disbursements			
Merchandise vendors	323,856	223,651	100,204
Non-merchandise vendors	62,324	62,858	(535)
Intercompany payments	-	(3,676)	3,676
Rent	21,078	20,884	194
Payroll	36,707	39,024	(2,317)
Capital expenditures	2,599	1,383	1,215
Tax	18,200	17,876	324
Total Disbursements	464,763	362,001	102,763
Operating Net Cash Flow	4,459	142,195	137,737
Professional fees	3,227	2,846	380
Repayment of Pre-Filing debt	246,474	249,492	(3,019)
DIP Fees & Interest	28,693	23,388	5,304
Total Restructuring Disbursements	278,393	275,727	2,666
Net Cash Flow	(273,934)	(133,532)	140,402
Beginning Cash	3,291	7,260	3,970
Net Cash Flow	(273,934)	(133,532)	140,402
DIP Draw / (Repayment)	275,644	245,435	(30,209)
Ending Cash	5,000	119,163	114,163

48. The Monitor notes that during the Reporting Period:

- (i) the beginning cash balance was approximately \$4.0 million greater than projected in the Initial Cash Flow Forecast primarily due to better than anticipated sales performance during the period leading up to the commencement of the CCAA Proceedings;

- (ii) total receipts were approximately \$35.0 million greater than projected in the Initial Cash Flow Forecast primarily due to better than anticipated sales performance during the Reporting Period, particularly related to e-commerce sales during the holiday retail season; and
 - (iii) total disbursements were approximately \$105.4 million less than projected in the Initial Cash Flow Forecast. This variance is primarily due to the positive variance in merchandise vendor disbursements of approximately \$100.2 million as a result of:
 - (a) Toys Canada successfully negotiating better than originally forecast payment terms with the majority of its domestic and foreign suppliers on post-filing payment terms following the commencement of the CCAA Proceedings; and
 - (b) slightly lower than forecast merchandise purchases.
49. Overall, during the Reporting Period, Toys Canada generated a positive net cash flow variance of approximately \$140.4 million relative to the Initial Cash Flow Forecast.
50. As at January 6, 2018, Toys Canada had an ending cash balance of approximately \$119.2 million and no outstanding draws on the Canadian DIP Revolving Facility, which provides availability of up to US\$300 million subject to a borrowing base calculation. The US\$200 million Canadian DIP term Loan was fully drawn at the outset of the CCAA Proceedings and remains outstanding.

PROFESSIONAL FEES

51. The Monitor and its independent legal counsel, Cassels and A&O, have maintained detailed records of their professional time and costs since the Initial Order was granted. Pursuant to paragraphs 30 and 31 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 32 of the Initial Order, the Monitor and its

counsel, among other parties, were granted an Administration Charge on the property of the Applicant as security for their fees and disbursements up to a maximum of \$2 million.

52. The total fees of the Monitor during the period from September 19, 2017 to December 31, 2017 amount to \$288,115.28 together with expenses and disbursements in the sum of \$17,410.11, and HST in the amount of \$39,718.30, totaling \$345,243.69. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Michael Creber, Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn January 18, 2018 in support hereof, a copy of which is attached hereto as Appendix "1".
53. The total legal fees incurred by the Monitor during the CCAA Proceedings for services provided to the Monitor by the Monitor's independent legal counsel, Cassels, during the period from September 19, 2017 to December 31, 2017 amount to \$342,274.50, together with disbursements in the sum of \$15,247.47, and HST in the amount of \$46,459.60, totaling \$ 403,981.57. The details of the time spent and services provided by Cassels is more particularly described in the Affidavit of R. Shayne Kukulowicz, sworn January 18, 2018 in support hereof, a copy of which is attached hereto as Appendix "2".
54. The total legal fees incurred by the Monitor during the CCAA Proceedings for services provided to the Monitor by the Monitor's independent U.S. legal counsel, A&O, during the period from September 11, 2017 to December 31, 2017 amount to US\$116,342.00, together with disbursements in the sum of US\$590.56, totaling US\$116,932.56. The details of the time spent and services provided by A&O is more particularly described in the Affidavit of Ken Coleman, sworn January 22, 2018 in support hereof, a copy of which is attached hereto as Appendix "3".

55. The Monitor is of the view that these accounts are reasonable in the circumstances and respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.

STAY EXTENSION

56. The Initial Order and subsequent orders granted the Stay Period against the Applicant up to and including January 26, 2018. The Applicant seeks an extension of the Stay Period to and including April 27, 2018.
57. Since the commencement of the CCAA Proceedings, Toys Canada, the Financial Advisor, the Monitor and respective legal counsel have focused on maintaining the stability of the Canadian business, communicating with stakeholders, and addressing matters relating to the initiation of the CCAA Proceedings.
58. Management has continued to operate the business and is working on executing its restructuring plans, in collaboration with the larger Toys “R” Us group. In the Monitor’s view, the Applicant has acted in accordance with the Initial Order. Accordingly, the Monitor is satisfied that based on the Cash Flow Projection and the assumptions contained therein: (i) the Applicant has sufficient funds to continue operations and the CCAA Proceedings until April 27, 2018; (ii) the Applicant is acting in good faith and with due diligence; and (iii) no stakeholder of Toys Canada will suffer any material prejudice if the Stay Period is extended as requested by the Applicant.

CONCLUSION AND RECOMMENDATION

59. The Monitor supports the relief sought by the Applicant on this motion and is of the view that the granting of the Claims Procedure Order and the Stay Extension Order is

appropriate in the circumstances and in the best interests of Toys Canada and its stakeholders.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22nd day of January, 2018.

**GRANT THORNTON LIMITED,
SOLELY IN ITS ROLE AS COURT-APPOINTED
MONITOR OF THE APPLICANT, AND NOT IN
ITS PERSONAL OR CORPORATE CAPACITY**

Per: 

Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX 1

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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE
(collectively, the "Applicant")

AFFIDAVIT OF MICHAEL CREBER
(Sworn January 18, 2018)

I, **MICHAEL G CREBER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am Senior Vice-President of Grant Thornton Limited, ("GTL") which was appointed as monitor ("**Monitor**") in the CCAA proceedings of Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee (the "**Company**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "A" to this my affidavit is a true copy of the detailed billings setting out the fees and disbursements of GTL incurred in its role as Monitor of the Company from September 19, 2017 to December 31, 2017, in the total amount of \$305,525.39, plus HST, and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is \$465.23.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. The hours spent on this matter and disbursements incurred by GTL are outlined in detail in Exhibits "A" and "B" and I believe were reasonable and appropriate in the circumstances.

5. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 18th day of January, 2018.



Commissioner for Taking Affidavits, etc.

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.


MICHAEL G CREBER

Exhibit "A" to the Affidavit of Michael G Creber,
sworn before me this 18th day of January, 2018.

A handwritten signature in blue ink, appearing to read "Dan Wootton", is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.



Grant Thornton

October 11, 2017

Toys "R" Us (Canada) Ltd.
2777 Langstaff Road
Vaughan, Ontario
L4K 4M5

Remit To: Grant Thornton Limited
11th Floor
200 King Street
Toronto, Ontario M5H 3T4

Attention: Mr. Pat Naccarato

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #229036
Invoice #LSON-3697

RE: Project Sunrise

To professional services as Consultant for the period from September 19, 2017 to September 30, 2017.

Date	Full Name	Hours	Detail
September 19, 2017	Rania Erian	1.10	Create case website; Upload legal documents; General administration.
September 19, 2017	Michael Creber	9.60	Prepare for and attend court; Planning
September 19, 2017	Michael Ruta	6.20	Review of reports and documents for filing; Compilation of information and forms; Review of reports; Engagement team meetings; Call with legal counsel.
September 19, 2017	Michael Goldband	6.00	Review of communication plan, Review of DIP fees and credit agreement. Cash flow review; Internal discussions.
September 19, 2017	Daniel Sobel	9.50	Calls with A&M, several calls with Cassels, review motion materials, update report to court, review cash flow, review DIP documents, attend at court, attend to website postings, URL setup, communications plan, press plan
September 20, 2017	Michael Ruta	4.60	Set up of TRU email and hotline, response to email and call inquiries

September 20, 2017	Michael Creber	5.30	Review documents; supplier issues; press matters; critical vendor matters; discussions and correspondence Cassels, Goodmans, A&M, DIP matters; planning;
September 20, 2017	Daniel Sobel	5.50	Review and respond to emails, internal calls, review critical supplier payment requests, review information provided by the Company on supplier requests and concerns, review CCAA statutory documents for filing
September 21, 2017	Michael Creber	4.90	Correspondence and discussions A&M, Cassels, Goodmans; US matters; DIP matters; supplier issues; planning; employee matters; review results;
September 21, 2017	Michael Ruta	7.70	Response to hotline calls and emails; Review of bank loan agreements; Meetings and calls with A&M and TRU.
September 21, 2017	Daniel Sobel	4.50	Update call with Goodmans, A&M and Cassels, daily supplier call with TRU and A&M, internal call, review CCAA statutory documents, review information re: DIP loan and ABL payout, internal calls
September 22, 2017	Michael Ruta	7.40	Response to hotline calls and emails; Review of bank loan documents; Compilation of forms and letters; Review of creditor listing.
September 22, 2017	Michael Creber	3.60	Correspondence and discussions A&M, Cassels, Goodmans; US matters; DIP matters; supplier issues; planning; employee matters; review results;
September 22, 2017	Yannick Michelin	2.70	Drafting of french notice to creditors, website sheets and newspaper advertisement.
September 22, 2017	Daniel Sobel	3.50	Update call with Goodmans, A&M and Cassels, daily supplier call with TRU and A&M, internal call, review Speedy Transport issues and various correspondence re: same.
September 23, 2017	Michael Creber	0.90	Discussions and correspondence
September 23, 2017	Michael Ruta	0.70	Updating of forms, creditor notice, and newspaper ad per lawyers' comments

September 23, 2017	Daniel Sobel	2.75	Review and respond to emails, internal calls, review critical supplier payment requests, review information provided by the Company on supplier requests and concerns, review CCAA statutory documents for filing.
September 24, 2017	Yannick Michelin	0.70	Reading of correspondence from Counsel and drafting of amended notices and newspaper notice.
September 24, 2017	Michael Ruta	0.30	Finalizing forms, newspaper ads, and creditor notice.
September 24, 2017	Michael Creber	2.90	Correspondence and discussions; planning;
September 24, 2017	Daniel Sobel	4.25	Review and respond to emails, internal calls, review critical supplier payment requests, review information provided by the Company on supplier requests and concerns, review CCAA statutory documents for filing.
September 25, 2017	Mike Kirkby	1.25	Prepare the package envelopes for mailing.
September 25, 2017	Rania Erian	1.50	Communicate with the Globe & Mail and LeDevoir newspaper to publish the Notice; Send the package to be photocopied; Prepare and print mailing labels for the mailing; Prepare affidavit of mailing the Notice and the Advertisements; Arrange to have staffing for the mailing.
September 25, 2017	Michael Creber	4.90	Prepare for and attend meeting at company; correspondence and discussions Cassels, Goodmans, A&M; supplier matters; various calls and correspondence; planning.
September 25, 2017	Michael Ruta	8.00	Attend at site; Meetings with TRU and A&M; Finalizing forms and creditor listing for posting; Responding to creditor emails and calls.
September 25, 2017	Amanda Warkentin	4.00	Stuffing envelopes for mailing out bankruptcy reports to creditors.
September 25, 2017	Thom Smith	3.00	Preparing envelopes to be sent to creditors.
September 25, 2017	Daniel Sobel	6.20	Meeting at TRU Canada Head office re: reporting and critical suppliers; update calls with legal team

September 26, 2017	Michael Ruta	6.60	Meetings and calls with A&M; Responding to creditor emails and calls.
September 26, 2017	Michael Creber	3.70	Correspondence and discussions Cassels, Goodmans, A&M; supplier matters; various calls and correspondence; planning.
September 26, 2017	Rania Erian	1.00	Mail merge utility companies information into letters to notify them of Toys R us CCAA; Print labels and mail package.
September 26, 2017	Daniel Sobel	4.25	Update call with Goodmans, A&M and Cassels, daily supplier call with TRU and A&M, internal call, review Speedy Transport issues and various correspondence re: same.
September 27, 2017	Michael Creber	2.90	Correspondence and discussions Cassels, Goodmans, A&M; supplier matters; various calls and correspondence; planning.
September 27, 2017	Michael Ruta	3.10	Meetings and calls with A&M; Responding to creditor emails and calls.
September 27, 2017	Michael Goldband	0.75	Critical vendor call, internal communications, review documentation.
September 27, 2017	Daniel Sobel	4.50	Supplier update call, internal call, review emails re: speedy, review emails re Lego, review emails on various supplier issues, consider report to court and internal call re same.
September 28, 2017	Michael Goldband	1.50	Critical vendor call, internal communications, review documentation, drafting of the First Report.
September 28, 2017	Michael Ruta	2.80	Meetings and calls with A&M; Responding to creditor emails and calls.
September 28, 2017	Michael Creber	2.70	correspondence and discussions Cassels, Goodmans, A&M; supplier matters; various calls and correspondence; planning
September 29, 2017	Michael Creber	3.40	correspondence and discussions Cassels, Goodmans, A&M; supplier matters; various calls and correspondence; planning
September 29, 2017	Michael Ruta	4.30	Meetings and calls with A&M Responding to creditor emails and calls. Calls with Cassels Brock

September 29, 2017	Michael Goldband	3.75	Critical vendor call, internal communications, review documentation, drafting of the First Report
September 29, 2017	Daniel Sobel	0.60	Review emails re: suppliers, review report to court draft, correspondence with company advisor, internal correspondence

Time Charges and Expenses:

M. Creber, Sr. Vice President	44.80 hours @	\$ 595.00 per hour	\$ 26,656.00
D. Sobel, Vice President	45.55 hours @	\$ 475.00 per hour	\$ 21,636.25
M. Goldband, Sr. Associate	12.00 hours @	\$ 225.00 per hour	\$ 2,700.00
M. Ruta, Sr. Associate	51.70 hours @	\$ 225.00 per hour	\$ 11,632.50
Y. Michelin, Sr. Associate	3.40 hours @	\$ 215.00 per hour	\$ 731.00
A. Warkentin, Associate	4.00 hours @	\$ 150.00 per hour	\$ 600.00
T. Smith, Associate	3.00 hours @	\$ 140.00 per hour	\$ 420.00
R. Erian, Analyst	3.60 hours @	\$ 120.00 per hour	\$ 432.00
M. Kirkby, Analyst	1.75 hours @	\$ 105.00 per hour	\$ 183.75
	<u>169.80</u>		<u>\$ 64,991.50</u>
Technology and Administration (5% of professional fees)			<u>\$ 3,249.58</u>
			<u>\$ 68,241.08</u>
HST (13%)			<u>\$ 8,871.34</u>
Total Invoice			\$ 77,112.41
Remaining Retainer			<u>\$ (2,112.41)</u>
Total Invoice Due			<u>\$ 75,000.00</u>



November 10, 2017

Toys "R" Us (Canada) Ltd.
2777 Langstaff Road
Vaughan, Ontario
L4K 4M5

Remit To: Grant Thornton Limited
11th Floor
200 King Street
Toronto, Ontario M5H 3T4

Attention: Mr. Pat Naccarato

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #229036
Invoice #LSON-3768

RE: Project Sunrise

To professional services as Consultant for the period from October 1, 2017 to October 31, 2017.

Date	Full Name	Time	Detail
October 2, 2017	Michael Creber	3.20	Supplier matters; US matters; court matters; operating results; planning
October 2, 2017	Michael Goldband	2.00	Vendors call, internal discussions. Review financial documentation and prepare for First Report
October 2, 2017	Michael Ruta	1.90	Responding to creditor emails and calls.
October 2, 2017	Daniel Sobel	0.75	Internal correspondence, review correspondence from A&M, draft response to same
October 3, 2017	Michael Goldband	2.00	Vendors call, internal discussions. Review financial documentation and prepare for First Report
October 3, 2017	Michael Ruta	3.60	Meetings and calls with A&M Responding to creditor emails and calls. Calls with Cassels Brock
October 3, 2017	Michael Creber	7.60	Court matters and draft documents; cash flow analysis; supplier matters; employee matters; operational matters; discussions and correspondence re same with company, A&M, Goodmans, Cassels.
October 3, 2017	Daniel Sobel	4.75	Supplier update call, internal call, review first draft of report to court, review email correspondence

Date	Full Name	Time	Detail
October 4, 2017	Michael Creber	8.60	Court matters and draft documents; Cash flow analysis; Supplier matters; Employee matters; Operational matters; Discussions and correspondence re same with company, A&M, Goodmans, Cassels.
October 4, 2017	Michael Ruta	8.20	Meetings and calls with A&M; Responding to creditor emails and calls; Calls with Cassels Brock.
October 4, 2017	Michael Goldband	7.00	Vendors call, internal discussions; Review financial documentation and prepare for First Report.
October 4, 2017	Daniel Sobel	6.25	Review draft affidavit, call with Cassels, and call with A&M re: draft cash flow projection; internal meetings re: cash flow projection and report; draft first monitor's report, supplier call.
October 5, 2017	Michael Goldband	2.50	Vendors call, internal discussions. Review financial documentation and prepare for First Report.
October 5, 2017	Michael Ruta	1.80	Meetings and calls with A&M; Responding to creditor emails and calls; Calls with Cassels Brock.
October 5, 2017	Michael Creber	6.20	Court matters and draft documents; cash flow analysis; supplier matters; employee matters; operational matters; discussions and correspondence re same with company, A&M, Goodmans, Cassels.
October 5, 2017	Daniel Sobel	8.20	Supplier call, update call with A&M and Goodmans, review supplier payment information, review report to court, draft sections of report to court, review affidavit, review factum, website postings, queries re CCAA advertisement.
October 6, 2017	Michael Creber	4.40	Court matters; Supplier issues; US matters; Planning.
October 6, 2017	Michael Ruta	1.90	Suppliers call and returning calls/emails.
October 6, 2017	Michael Goldband	1.50	Vendors call, internal discussions. Review financial documentation and prepare for First Report.
October 6, 2017	Daniel Sobel	3.60	Call with Cassels, review report to court, review comments on report, review appendices, email correspondence with A&M.
October 9, 2017	Michael Creber	1.90	US matters; Supplier issues; Correspondence legal counsel.

Date	Full Name	Time	Detail
October 10, 2017	Michael Creber	3.40	Supplier issues; Legal matters; Reporting; Operating results; Discussions and correspondence A&M, Cassels, Goodmans, company; Correspondence creditors and their counsel.
October 10, 2017	Michael Ruta	4.60	Responding to monitor hotline calls and emails. Conference calls with A&M and lawyers.
October 10, 2017	Michael Goldband	2.25	Vendor call, internal discussions, call with counsel.
October 10, 2017	Daniel Sobel	3.25	Supplier call, update call with A&M and Goodmans, review supplier payment information, internal planning call, review DIP reporting letter, finalize schedule of pre-filing vendor payments per 7(g) of initial order.
October 11, 2017	Michael Ruta	1.70	Responding to monitor hotline calls and emails. Conference calls with A&M and lawyers.
October 11, 2017	Michael Creber	3.90	Prepare for and attend court; Supplier issues; Operational results; planning.
October 11, 2017	Daniel Sobel	1.50	Supplier call, internal call.
October 12, 2017	Michael Creber	3.20	Supplier issues; Operational results; Planning.
October 12, 2017	Michael Ruta	3.10	Responding to monitor hotline calls and emails. Conference calls with A&M and lawyers.
October 12, 2017	Michael Goldband	0.75	Internal communications, call with counsel, update call.
October 12, 2017	Daniel Sobel	2.10	Update call with Cassels, Goodmans, A&M, internal correspondence, review emails re: supplier agreement, call with A&M.
October 13, 2017	Michael Goldband	2.25	Meeting onsite with Company and A&M.
October 13, 2017	Michael Ruta	0.20	Responding to monitor hotline calls and emails
October 13, 2017	Michael Creber	3.30	Supplier issues; Operational results; Planning; Attend meeting ATB company.
October 13, 2017	Daniel Sobel	3.75	Prepare for and attend meeting at TRU head office re: supplier status, sales activity, lien issue, reporting, DIP reporting, call with A&M re: vendor inquiries.

Date	Full Name	Time	Detail
October 16, 2017	Michael Creber	4.20	Supplier issues; Operational results; Planning; US matters; Creditor issues; Correspondence and discussions A&M, Cassels, Goodmans, company.
October 16, 2017	Michael Ruta	2.90	Responding to emails and calls; Meetings/calls with lawyers and A&M.
October 16, 2017	Daniel Sobel	1.75	Supplier call with A&M and TRU, update call with Goodmans, A&M, Cassels, review and respond to email correspondence.
October 17, 2017	Michael Goldband	1.00	Vendors call, internal discussions.
October 17, 2017	Michael Ruta	1.20	Responding to emails and calls; Meetings/calls with lawyers and A&M.
October 17, 2017	Rosa Wilford	1.00	Review internal instructions; Draft letter and prepare Bank forms for new account. Correspondences with Bank, fax, setup account estate and general banking administration. Provide wire instructions, email team and general banking administration.
October 17, 2017	Michael Creber	6.20	Supplier issues; Operational results; Planning; US matters; Creditor issues; Correspondence and discussions A&M, Cassels, Goodmans, company; Document review.
October 17, 2017	Daniel Sobel	3.00	Review and respond to email correspondence, creditor listing issues, creditor correspondence, website updates and review, Supplier call with A&M and TRU, update call with Goodmans, A&M, Cassels.
October 18, 2017	Michael Creber	3.90	Supplier issues; Operational results; Planning; US matters; Creditor issues; Correspondence and discussions A&M, Cassels, Goodmans, company; Document review.
October 18, 2017	Michael Ruta	0.50	Meetings/calls with lawyers and A&M.
October 18, 2017	Michael Goldband	0.25	Vendors call.
October 18, 2017	Daniel Sobel	2.50	Supplier call with A&M and TRU, update call with Goodmans, A&M, Cassels, review and respond to email correspondence.
October 19, 2017	Michael Goldband	1.75	Vendors call, internal discussions, financial review.

Date	Full Name	Time	Detail
October 19, 2017	Michael Ruta	0.70	Meetings/calls with lawyers and A&M.
October 19, 2017	Rosa Wilford	1.00	Review internal email instructions; re Banking, review account details provided by client, correspondences and phone calls to and from Bank, re transferring of funds, review bank print screens, prepare receipt requisitions, posting entries, email team and general banking administration.
October 19, 2017	Michael Creber	3.90	Supplier issues; Operational results; Planning; US matters; Creditor issues; Correspondence and discussions A&M, Cassels, Goodmans, company; Document review.
October 19, 2017	Daniel Sobel	2.50	Call with A&M re budget to actual cash flow results and reporting package, review weekly reporting package, internal call.
October 20, 2017	Michael Creber	2.10	Supplier issues; Operational results; Planning; US matters; Creditor issues.
October 20, 2017	Michael Ruta	0.20	Supplier call.
October 20, 2017	Michael Goldband	0.50	Internal discussions and financial review.
October 23, 2017	Michael Ruta	0.90	Monitoring phone hotline and emails; Meetings with A&M and lawyers.
October 23, 2017	Michael Goldband	0.50	Supplier call, internal discussions.
October 23, 2017	Michael Creber	3.90	Supplier matters; Cash flow; Operating results; Discussions A&M; Company; Cassels; Goodmans; Document review; US matters.
October 23, 2017	Daniel Sobel	1.75	Call with TRU and A&M re: vendors, correspondence re: ISG.
October 24, 2017	Michael Creber	3.20	Supplier matters; Cash flow; Operating results; Discussions A&M; Company; Cassels; Goodmans; Document review; US matters.
October 24, 2017	Michael Ruta	3.80	Monitoring phone hotline and emails; Meetings with A&M and lawyers.
October 24, 2017	Daniel Sobel	0.50	Review emails, internal call, emails with A&M.
October 25, 2017	Michael Ruta	1.30	Monitoring phone hotline and emails; Meetings with A&M and lawyers.

Date	Full Name	Time	Detail
October 25, 2017	Michael Creber	2.60	US matters; Operational matters; Creditor matters; Supplier matters.
October 26, 2017	Michael Creber	3.10	US matters; Operational matters; Creditor matters; Supplier matters; Conference calls.
October 26, 2017	Michael Ruta	2.80	Monitoring phone hotline and emails; Meetings with A&M and lawyers.
October 26, 2017	Michael Goldband	0.75	Internal communications and discussions, call with A&M
October 26, 2017	Daniel Sobel	2.25	DIP lender call with TRU, call with counsel on various issues, review material for DIP call.
October 27, 2017	Michael Goldband	0.50	Internal communications and discussions, review of financial information
October 27, 2017	Michael Ruta	2.60	Monitoring phone hotline and emails; Meetings with A&M and lawyers.
October 27, 2017	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
October 27, 2017	Michael Creber	2.10	Planning; US matters; Operational matters; Creditor matters; Supplier matters; Conference calls.
October 27, 2017	Daniel Sobel	1.25	Internal call, call with A&M re: vendors, ISG, cash flow, DIP.
October 30, 2017	Michael Creber	1.60	Creditors; suppliers; Operating results; US matters; planning.
October 30, 2017	Daniel Sobel	1.75	Internal call, call with A&M, call with ISG, review emails re: ISG.
October 31, 2017	Michael Creber	2.40	Creditors; Suppliers; Operating results; US matters; Planning.
October 31, 2017	Daniel Sobel	3.75	Call with A&M and TRU re: vendors, review ISG markup of escrow agreement, call with counsel, return creditor calls to the Monitor's toll free number, call with ISG, and email to TRU and A&M, call with vendor (itoys).

Time Charges and Expenses:

M. Creber, Sr. Vice President	84.90 hours @	\$ 595.00 per hour	\$ 50,515.50
D. Sobel, Vice President	55.15 hours @	\$ 475.00 per hour	\$ 26,196.25
R. Wilford, Manager	2.10 hours @	\$ 250.00 per hour	\$ 525.00
M. Goldband, Sr. Associate	25.50 hours @	\$ 225.00 per hour	\$ 5,737.50
M. Ruta, Sr. Associate	43.90 hours @	\$ 225.00 per hour	\$ 9,877.50
	211.55		\$ 92,851.75
Technology and Administration (5% of professional fees)			\$ 4,642.59
			\$ 97,494.34
Disbursements			
Postage			\$ 2,205.66
Printing			\$ 2,320.00
Ascend License			\$ 170.00
Le Devoir Newspaper			\$ 1,539.00
Globe and Mail Newspaper			\$ 11,128.32
			\$ 17,362.98
Subtotal Time and Disbursements			\$ 114,857.32
HST (13%)			\$ 14,931.45
Total Invoice			\$ 129,788.77
Remaining Retainer			\$ (517.31)
Total Invoice Due			\$ 129,271.46



Grant Thornton

November 21, 2017

Toys "R" Us (Canada) Ltd.
2777 Langstaff Road
Vaughan, Ontario
L4K 4M5

Remit To: Grant Thornton Limited
11th Floor
200 King Street
Toronto, Ontario M5H 3T4

Attention: Mr. Pat Naccarato

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001

Client #229036

Invoice #LSON-3800

RE: Project Sunrise

To professional services as Consultant for the period from November 1, 2017 to November 15, 2017.

Date	Full Name	Time	Detail
November 1, 2017	Michael Creber	3.20	Creditors; suppliers; operating results; US matters; <u>planning</u> .
November 1, 2017	Daniel Sobel	4.90	Update call with A&M, review cash flow information, internal correspondence, return creditor calls and emails.
November 2, 2017	Rosa Wilford	0.50	Review internal email instructions re Banking; Correspondences with Bank, review print screens for expecting wire, prepare deposit, posting entries, email re notification of wire, prepare bank disbursement charge, post entry, emails and general banking <u>administration</u> .
November 2, 2017	Michael Creber	5.70	Review reporting and related discussions; court matters; US matters; critical supplier issues; creditor matters; discussions Cassels, A&M, Company, Goodmans; <u>planning</u> ; document review.
November 2, 2017	Daniel Sobel	4.75	Internal correspondence, review correspondence from A&M, review vendor summary, call with counsel, internal call, weekly DIP call, vendor call
November 3, 2017	Michael Creber	1.70	Court matters; US matters; critical supplier issues; creditor matters; discussions Cassels, A&M, Company, Goodmans; <u>planning</u> ; document.

November 3, 2017	Daniel Sobel	1.50	Call with A&M, return supplier calls and emails
November 6, 2017	Michael Goldband	0.75	Internal discussions, review emails/communications received.
November 6, 2017	Michael Creber	2.80	Supplier matters; creditor matters; discussion legal counsel; discussion and correspondence A&M.
November 6, 2017	Rosa Wilford	0.75	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer via email and fax, posting entries, email wire confirmation to team and general banking administration.
November 6, 2017	Daniel Sobel	2.60	Call with Cassels, call with A&M, internal call, respond to creditor inquiries
November 7, 2017	Michael Creber	3.60	Supplier matters; creditor matters; discussion legal counsel; discussion and correspondence company. Goodmans, A&M.
November 7, 2017	Michael Goldband	1.00	Update call, internal discussion, review and response to creditor emails/calls
November 7, 2017	Daniel Sobel	3.90	Call with Cassels, A&M, Goodmans, internal call, respond to creditor inquiries
November 8, 2017	Michael Creber	2.90	Supplier matters; creditor matters; discussion legal counsel; discussion and correspondence A&M.
November 8, 2017	Rosa Wilford	1.25	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer via email and fax, posting entries, email wire confirmation to team and general banking administration; Correspondences with team re Banking; review bank ledger, draft bank letter, post entries.
November 8, 2017	Daniel Sobel	2.80	Call with A&M, call re: supplier issue, internal calls, call with Cassels, supplier calls and emails
November 9, 2017	Michael Goldband	1.50	Update call, internal discussion, review and response to creditor emails/calls.
November 9, 2017	Rania Erian	1.00	General administration.

November 9, 2017	Rosa Wilford	1.00	Review and follow internal email instructions re Banking; Correspondences with Bank, review print screens, review ledger, draft bank letter, prepare bank reconciliations for October and November 2017, and close account.
November 9, 2017	Michael Creber	3.90	Supplier matters; creditor matters; discussion legal counsel; discussion and correspondence A&M; DIP call and matters.
November 9, 2017	Daniel Sobel	4.25	DIP call, call with counsel, supplier call, return creditor calls, review budget to actual results, review DIP budget, emails with A&M, review US matters, materials
November 10, 2017	Michael Creber	3.20	Supplier matters; creditor matters; discussion legal counsel; discussion and correspondence A&M;DIP matters; forecasts.
November 10, 2017	Michael Goldband	3.25	Internal discussion, review and response to creditor emails/calls.
November 10, 2017	Daniel Sobel	2.80	Call with A&M, call re: supplier issue, internal calls, call with Cassels, review US matters, materials
November 13, 2017	Michael Creber	3.20	US matters; creditor matters; critical supplier matters; operating results.
November 13, 2017	Michael Ruta	2.10	Respond to creditor calls. Calls with lawyers and A&M.
November 13, 2017	Michael Goldband	1.75	Internal discussions, call with counsel. Review of cash flow.
November 13, 2017	Daniel Sobel	1.25	Call with Cassels re: DIP, employee retention plan, leases, valuation questions, supplier issue, call with A&M re: Lego
November 14, 2017	Michael Ruta	1.80	Respond to creditor calls. Calls with lawyers and A&M.
November 14, 2017	Michael Creber	2.60	US matters; creditor matters; critical supplier matters; operating results.
November 14, 2017	Daniel Sobel	1.75	Review Lego agreement; internal call, call with A&M and TRU, draft meeting agenda, review US matters, materials
November 15, 2017	Michael Creber	3.30	US matters and documents; prepare for and meeting company and A&M; planning.
November 15, 2017	Michael Ruta	0.50	Respond to creditor calls.

November 15, 2017	Michael Goldband	1.25	Internal discussions, call with A&M. Review of cash flow. Communication with creditors.
November 15, 2017	Daniel Sobel	3.75	Prepare for and attend meeting at TRU on various issues, internal discussion and emails, review US matters, materials

Time Charges and Expenses:

M. Creber, Sr. Vice President	36.10 hours @	\$ 595.00 per hour	\$ 21,479.50
D. Sobel, Vice President	34.25 hours @	\$ 475.00 per hour	\$ 16,268.75
R. Wilford, Manager	3.50 hours @	\$ 250.00 per hour	\$ 875.00
M. Goldband, Sr. Associate	9.50 hours @	\$ 225.00 per hour	\$ 2,137.50
M. Ruta, Sr. Associate	4.40 hours @	\$ 225.00 per hour	\$ 990.00
R. Erian, Analyst	1.00 hours @	\$ 226.00 per hour	\$ 226.00
	<u>88.75</u>		<u>\$ 41,976.75</u>
Technology and Administration (5% of professional fees)			<u>\$ 2,098.84</u>
			<u>\$ 44,075.59</u>
Disbursements			
Travel			\$ 23.47
			<u>\$ 23.47</u>
Subtotal Time and Disbursements			\$ 44,099.06
HST (13%)			<u>\$ 5,732.88</u>
Total Invoice			<u><u>\$ 49,831.94</u></u>



December 11, 2017

Toys "R" Us (Canada) Ltd.
2777 Langstaff Road
Vaughan, Ontario
L4K 4M5

Remit To: Grant Thornton Limited
11th Floor
200 King Street
Toronto, Ontario M5H 3T4

Attention: Mr. Pat Naccarato

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #229036
Invoice #LSON-3867

RE: Project Sunrise

To professional services as Consultant for the period from November 16, 2017 to November 30, 2017.

Date	Full Name	Time	Detail
November 16, 2017	Michael Creber	2.80	US matters; DIP matters; Operating matters; creditor matters; Supplier matters.
November 16, 2017	Michael Goldband	1.00	Call with A&M, communication with creditors.
November 16, 2017	Michael Ruta	1.10	Respond to creditor calls; Calls with lawyers and A&M.
November 16, 2017	Daniel Sobel	3.25	Call with A&M, DIP lender call, review materials forwarded by A&M, supplier issue, call with A&M, internal call.
November 17, 2017	Michael Ruta	0.60	Respond to creditor calls.
November 17, 2017	Michael Creber	1.70	US matters; DIP matters; Operating matters; Creditor matters; Supplier matters.
November 17, 2017	Daniel Sobel	0.60	Review and respond to creditor inquiries, review US matters, materials and hearing results.
November 20, 2017	Michael Creber	2.10	US matters; DIP matters; Operating matters; Creditor matters; Supplier matters.
November 20, 2017	Daniel Sobel	0.25	Review email correspondence.

Date	Full Name	Time	Detail
November 21, 2017	Michael Goldband	1.25	Internal discussions, calls with A&M and counsel. Review of financial information.
November 21, 2017	Michael Ruta	0.40	Meetings and conference calls.
November 21, 2017	Michael Creber	1.90	IS matters; creditor matters; Operating matters; Conference call.
November 21, 2017	Daniel Sobel	1.80	Internal call, prepare for and attend call with Goodmans and Cassels.
November 22, 2017	Michael Creber	3.90	Employee matters; Press; Operations; Creditor matters; US matters; Landlord matters; Insurance matters; Claims process matters.
November 22, 2017	Daniel Sobel	1.75	Review email correspondence, review materials filed in US proceedings and emails from US counsel.
November 23, 2017	Michael Goldband	1.25	Internal discussions, calls with A&M and counsel. Review of financial information.
November 23, 2017	Michael Creber	2.60	Employee matters; Press; Operations; Creditor matters; US matters; Landlord matters; Insurance matters; Claims process matters.
November 23, 2017	Michael Ruta	0.50	Meetings and conference calls.
November 23, 2017	Daniel Sobel	2.50	Call re KERP/TAD with A&M and TRU, vendor call with A&M and TRU; Prepare court report, review information re: KERP/TAD, review cash flow information.
November 24, 2017	Michael Creber	1.90	Review reporting and results; Employee matters.
November 27, 2017	Michael Creber	1.20	DIP matters; Employee matters; Creditor matters.
November 27, 2017	Daniel Sobel	3.75	Call with Goodmans, A&M and Cassels, internal call, review materials filed in US proceedings, review email correspondence, draft report to court.
November 28, 2017	Michael Creber	2.10	US matters; Employee matters; Court matters; Creditor matters; Landlord matters.
November 28, 2017	Daniel Sobel	2.75	Call with Goodmans, A&M and Cassels, internal call, review materials filed in US proceedings, review email correspondence, draft report to court.

Date	Full Name	Time	Detail
November 29, 2017	Michael Ruta	1.40	Responding to hotline calls and emails.
November 29, 2017	Michael Creber	1.90	US matters; employee matters; court matters; creditor matters; landlord matters.
November 29, 2017	Daniel Sobel	5.75	Draft report to court, review cash flow budget to actual results, review vendor payment information.
November 30, 2017	Michael Ruta	2.10	Responding to hotline calls and emails.
November 30, 2017	Michael Goldband	0.50	Call with A&M, reviewing materials, internal discussions.
November 30, 2017	Michael Creber	3.90	US matters; Employee matters; Landlord matters; Creditor matters; Supplier matters; DIP matters.
November 30, 2017	Daniel Sobel	5.25	Draft report to court, review materials for upcoming hearing, call with counsel, and circulate draft report to counsel.

Time Charges and Expenses:

M. Creber, Sr. Vice President	26.00 hours @	\$ 595.00 per hour	\$ 15,470.00
D. Sobel, Vice President	27.65 hours @	\$ 475.00 per hour	\$ 13,133.75
M. Goldband, Sr. Associate	4.00 hours @	\$ 225.00 per hour	\$ 900.00
M. Ruta, Sr. Associate	6.10 hours @	\$ 225.00 per hour	\$ 1,372.50
	<u>63.75</u>		<u>\$ 30,876.25</u>
Technology and Administration (5% of professional fees)			\$ 1,543.81
			<u>\$ 32,420.06</u>
HST (13%)			\$ 4,214.61
Total Invoice			<u><u>\$ 36,634.67</u></u>



January 9, 2018

Toys "R" Us (Canada) Ltd.
2777 Langstaff Road
Vaughan, Ontario
L4K 4M5

Remit To: Grant Thornton Limited
11th Floor
200 King Street
Toronto, Ontario M5H 3T4

Attention: Mr. Pat Naccarato

Attention: Michael Creber

BILLING

BN 12738 4717 RT0001
Client #229036
Invoice #LSON-3944

RE: Project Sunrise

To professional services as Consultant for the period from December 1, 2017 to December 31, 2017.

Date	Full Name	Time	Detail
December 1, 2017	Michael Creber	2.90	US matters; Employee matters; Landlord matters; Creditor matters; Supplier matters; DIP matters.
December 1, 2017	Daniel Sobel	6.20	Draft report to court, call with counsel, review materials for KERP/TAD motion, review cash flow results, creditor inquiries.
December 4, 2017	Michael Creber	7.70	US matters; Employee matters; Landlord matters; Creditor matters; Supplier matters; DIP matters; Court material and draft report.
December 4, 2017	Michael Ruta	0.10	Taking monitor toll-free number calls.
December 4, 2017	Daniel Sobel	4.20	Draft report to court, call with counsel, review materials for KERP/TAD motion, review cash flow results, creditor inquiries.
December 5, 2017	Michael Creber	3.60	File status update; Employee matters; Landlord matters; US matters; Court matters; Operating metrics.

Date	Full Name	Time	Detail
December 5, 2017	Daniel Sobel	2.75	Draft report to court, review materials for upcoming hearing, call with counsel, and circulate draft report to counsel, review materials filed in US proceedings.
December 6, 2017	Michael Creber	3.90	File status update; Employee matters; Landlord matters; US matters; Court matters; Operating metrics.
December 6, 2017	Daniel Sobel	2.50	Review draft report to court, review materials for upcoming hearing, call with counsel, and circulate draft report to counsel.
December 7, 2017	Michael Creber	3.70	Court matters; Finalize report; Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence.
December 7, 2017	Michael Ruta	1.10	Meetings and conference calls; Monitor toll-free number.
December 7, 2017	Daniel Sobel	1.80	DIP lender call, call with counsel, website maintenance, review materials filed in US proceedings.
December 8, 2017	Michael Creber	1.90	Court matters; Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence.
December 11, 2017	Michael Creber	2.70	Prepare for and attend at court.
December 11, 2017	Michael Goldband	0.75	Responding to creditor communications.
December 11, 2017	Daniel Sobel	4.60	Prepare for and attend at court, review email correspondence re: suppliers, US proceedings, website review/maintenance.
December 12, 2017	Michael Creber	1.60	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters.
December 12, 2017	Rania Erian	0.50	General administration.
December 12, 2017	Daniel Sobel	1.60	Website administration and review, emails from counsel, review filings in US proceedings.

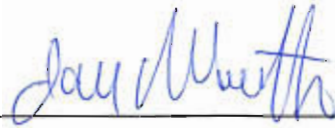
Date	Full Name	Time	Detail
December 13, 2017	Michael Creber	1.40	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters.
December 13, 2017	Daniel Sobel	2.50	Emails with counsel, review email re F/X, review sales update, review correspondence re: US proceedings.
December 14, 2017	Michael Creber	1.90	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters.
December 14, 2017	Michael Ruta	0.90	Meetings and conference calls; Responding to monitor toll-free number.
December 14, 2017	Daniel Sobel	0.75	Call with counsel, DIP call.
December 15, 2017	Michael Creber	1.80	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters.
December 18, 2017	Michael Creber	3.20	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters; Intercompany matters.
December 18, 2017	Daniel Sobel	0.50	Call with counsel, internal emails, call with A&M.
December 19, 2017	Michael Creber	2.90	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters; Intercompany matters.
December 19, 2017	Michael Goldband	0.75	Critical vendor call and update with Company and A&M. Internal discussion and review of communications.
December 19, 2017	Michael Ruta	0.50	Meetings and conference calls.
December 19, 2017	Daniel Sobel	1.25	Call with A&M and TRU; email correspondence, review F/X issue.
December 20, 2017	Michael Creber	1.90	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters; Intercompany matters.

Date	Full Name	Time	Detail
December 20, 2017	Michael Goldband	1.00	Communication with creditors.
December 20, 2017	Michael Ruta	2.60	Responding to creditor inquiries.
December 21, 2017	Michael Creber	1.40	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters; Intercompany matters.
December 21, 2017	Daniel Sobel	0.75	Prepare for and attend DIP lender call.
December 22, 2017	Michael Creber	0.90	Operating matters; Cash flow and reporting; DIP matters; Landlord matters; Supplier matters; Creditor correspondence; US matters; Intercompany matters.
December 28, 2017	Michael Creber	0.90	Correspondence.
December 28, 2017	Daniel Sobel	0.75	Prepare for and attend DIP lender call.
December 29, 2017	Michael Creber	0.80	Correspondence.
December 29, 2017	Michael Ruta	0.90	Responding to monitor toll-free number calls and emails.
December 30, 2017	Michael Creber	1.10	Correspondence.

Time Charges and Expenses:

M. Creber, Sr. Vice President	46.20 hours @	\$ 595.00 per hour	\$ 27,489.00
D. Sobel, Vice President	30.15 hours @	\$ 475.00 per hour	\$ 14,321.25
M. Goldband, Sr. Associate	2.50 hours @	\$ 225.00 per hour	\$ 562.50
M. Ruta, Sr. Associate	6.10 hours @	\$ 225.00 per hour	\$ 1,372.50
R. Erian, Analyst	0.50 hours @	\$ 120.00 per hour	\$ 60.00
	<u>85.45</u>		<u>\$ 43,805.25</u>
Prior invoice rate adjustment			<u>\$ (106.00)</u>
			\$ 43,699.25
Technology and Administration (5% of professional fees)			<u>\$ 2,184.96</u>
			\$ 45,884.21
Disbursements			
Travel			<u>\$ 23.66</u>
			\$ 23.66
Subtotal Time and Disbursements			\$ 45,907.87
HST (13%)			<u>\$ 5,968.02</u>
Total Invoice			<u><u>\$ 51,875.90</u></u>

Exhibit "B" to the Affidavit of Michael G Creber,
sworn before me this 18th day of January, 2018.



Commissioner for Taking Affidavits, etc.

Daniel Kenneth Wootton,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires April 6, 2019.

Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) LTEE

Summary of Fees of the Monitor

For the period from September 19, 2017 to December 31, 2017

Period	Hours	Fees	Disbursements	Subtotal	HST	Total
September 19-30, 2017	169.80	\$ 68,241.08	-	68,241.08	8,871.34	\$ 77,112.41
October 1-31, 2017	211.55	\$ 97,494.34	17,362.98	114,857.32	14,931.45	\$ 129,788.77
November 1-15, 2017	88.75	\$ 44,075.59	23.47	44,099.06	5,732.88	\$ 49,831.94
November 16-30, 2017	63.75	\$ 32,420.06	-	32,420.06	4,214.61	\$ 36,634.67
December 1-31, 2017	85.45	\$ 45,884.21	23.66	45,907.87	5,968.02	\$ 51,875.90
	619.30	\$ 288,115.28	17,410.11	305,525.39	39,718.30	\$ 345,243.69

Average Rate per Hour: \$ 465.23

**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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Court File No.: CV-17-00582960-00CL

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

Proceedings commenced at **Toronto**

**AFFIDAVIT OF MICHAEL G CREBER
(Sworn January 18, 2018)**

Cassels Brock & Blackwell LLP
Scotia Plaza
40 King Street West, Suite 2100
Toronto, ON, M5H 3C2

Shayne Kukulowicz

Tel: (416) 860-6463
Fax: (416) 640-3176

Ryan C. Jacobs

Tel: (416) 860-6465
Fax: (416) 640-3189

Lawyers for the Monitor

Jane Dietrich

Tel: (416) 860-5223
Fax: (416) 640-3144

Sophie Moher

Tel: (416) 860-2903

APPENDIX 2

**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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE

Applicant

**AFFIDAVIT OF R. SHAYNE KUKULOWICZ
(sworn January 18, 2018)**

I, R. Shayne Kukulowicz, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

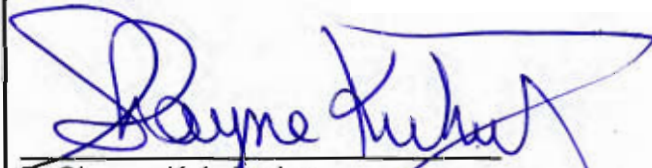
1. I am a lawyer qualified to practice law in Ontario and a Partner with Cassels Brock & Blackwell LLP ("**Cassels**"), Canadian counsel for Grant Thornton LLP, in its capacity as Monitor (the "**Monitor**") of the Applicant. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. During the period from September 11, 2017 to December 31, 2017, Cassels incurred fees and disbursements, including Harmonized Sales Tax ("**HST**"), in the amount of \$403,981.57. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this my affidavit.
3. Attached as **Exhibit "B"** is a schedule summarizing each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels is \$644.95.
4. Attached as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each of the lawyer and paraprofessional at Cassels who acted for the Monitor, as the case may be.

5. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Receiver, and for no other or improper purpose.

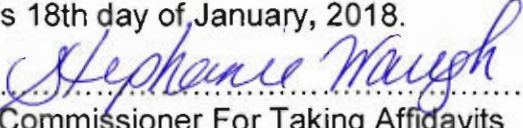
SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
January 18, 2018.


Commissioner for Taking Affidavits


R. Shayne Kukulowicz

Stephanie Waugh, a
Commissioner, etc., Province of Ontario,
for Cassels Brock & Blackwell LLP,
Barristers and Solicitors.
Expires March 21, 2020.

This is **Exhibit "A"** referred to in the affidavit of R. Shayne Kukulowicz sworn before me in the City of Toronto, in the Province of Ontario, this 18th day of January, 2018.


.....
A Commissioner For Taking Affidavits

Stephanie Waugh, a
Commissioner, etc., Province of Ontario,
for Cassels Brock & Blackwell LLP,
Barristers and Solicitors.
Expires March 21, 2020.

EXHIBIT "A"

**True Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**



GRANT THORNTON LIMITED
ATTN: MICHAEL CREBER
200 KING STREET WEST, 11TH FLOOR BOX 11
TORONTO, ON M5H 3T4
CANADA
EMAIL: 416 369 7047

Date: 09/18/17
Our File #: 025614-00030
Invoice #: 2023990
HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 09/17/17

Date		Description	Hours
09/11/17	JNB	Discussion with S. Kukulowicz about scope and structure of mandate and insolvency proceedings; review and consider potential adverse parties to CCAA proceedings;	0.50
09/11/17	JNB	Discussion with S. Kukulowicz regarding scope of existing creditors; detailed email to S. Kukulowicz regarding potential adverse parties;	0.60
09/11/17	JNB	Call from S. Kukulowicz;	0.20
09/12/17	RJA	Call with Grant Thornton;	0.50
09/12/17	JNB	Participate in conference call with S. Kukulowicz, R. Jacobs, C. Rich, and Grant Thornton about background facts and structure for filing; follow-up discussion with S. Kukulowicz and C. Rich about security review and draft court materials;	0.80
09/12/17	JNB	Review and provide comments on terms of engagement by the Monitor;	0.20
09/12/17	CHR	Meet with S. Kukulowicz; attend conference call; begin review of security; provide instructions to S. Massie and M. Tallim;	2.10
09/12/17	MRT	Receiving instructions on Toys R Us matter;	0.20

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
09/12/17	RSK	Conference call with GT to discuss background and issues; review of security documents and discussed security opinion with C. Rich;	2.20
09/13/17	RRR	Review of due diligence requirements; review of Ontario properties;	1.30
09/13/17	KTA	Review of instructions for due diligence;	0.10
09/13/17	JNB	Emails from and to S. Kukulowicz; participate in 10:30 am call between Cassels and Grant Thornton;	0.40
09/13/17	JNB	Review issues for initial CCAA application; participate in conference call involving Cassels, GTL, Goodmans and Alvarez regarding status of court materials and issues to be addressed for initial hearing, including cross-border issues;	0.60
09/13/17	JFR	Review and respond to emails; calls with real estate team; calls with C. Rich; review charts and due diligence materials;	2.90
09/13/17	RJA	Call with GT team;	0.20
09/13/17	SMA	Initial meeting and planning related to a security review; review corporate personal property searches for Ontario, BC, Alberta, and Saskatchewan;	2.60
09/13/17	CHR	Emails with J. Freeman regarding real estate review; meet with S. Massie and M. Tallim regarding security review; review credit agreement; calls and emails with working group;	3.10
09/13/17	RSK	Review of emails regarding additional documentation for security review and various questions; office conference with C. Rich regarding scope of security review; daily conference call with GT; conference call with GT, Goodmans and A&M;	2.50
09/14/17	JNB	Participate in conference call with proposed Monitor; review issue about security review raised by C. Rich;	0.40
09/14/17	RRR	To title review of properties in Ontario, BC, and Alberta; to prepare property summaries;	6.30

Date		Description	Hours
09/14/17	JNB	Review draft of Initial Order and cross-border protocol and provide comments;	1.40
09/14/17	JNB	Prepare blackline of initial order to model order and review blackline; provide additional comments on initial order; conference call with Cassels and Monitor staff to discuss initial order;	0.90
09/14/17	MRT	Review security documents; internal meeting to discuss search results; drafting security review letter;	3.10
09/14/17	RJA	Review cross border protocol and email correspondence with Cassels team regarding same;	0.30
09/14/17	MS	Review of draft materials for filing; correspondence and calls in preparation for filing;	5.60
09/14/17	SMA	Review property and commercial searches for Manitoba, PEI, Nova Scotia, New Brunswick, and Newfoundland;	2.50
09/14/17	SMO	Took notes on call with opposing counsel for M. Sassi and S. Kukulowicz; blacklined initial order and cross border protocol; organized subfolders and documents in DMS;	0.80
09/14/17	CHR	Emails and calls with working group; conference call with Grant Thornton and Goodmans; call with B. Wiffen;	3.10
09/14/17	JFR	Review title searches; consider title issues regarding due diligence matters; review and respond to email correspondence;	1.60
09/14/17	JDI	Discussion with Grant Thornton regarding status; participate in call with Goodmans, A&M and Cassels regarding status; review of initial order and cross border protocol;	2.20

Date		Description	Hours
09/14/17	RSK	Conference call with GT regarding status; review of carve outs in the security documents and discussed same with C. Rich and J. Dietrich; conference call with GT, Goodmans and A&M; review of draft Initial Order and cross border protocol; follow up discussion with M. Creber regarding various issues; exchanged emails with M. Creber et al. regarding admin charge; conference call with GT regarding comments on Initial Order and protocol;	3.10
09/15/17	RRR	Review of title searches for Saskatchewan property; review of title searches for Manitoba properties; update property summaries;	3.50
09/15/17	RRR	Review of caveats on title to Manitoba property;	0.70
09/15/17	SMA	Review trademark searches to verify security in all marks; review trademark summary for accuracy;	1.30
09/15/17	SMO	Took notes on call with client for M. Sassi; reviewed affidavit of M. Teed-Murch and matched content to that of initial order for M. Sassi; organized cumulative comments on initial order, affidavit, and cross border protocol for M. Sassi; read through affidavit and initial order; took notes on call with Goodmans LLP for M. Sassi;	2.70
09/15/17	MRT	Revise draft reporting letter; attend conference call; circulate draft reporting letter;	1.70
09/15/17	JFR	Review title searches for owned properties; review and respond to e-mail correspondence; attend to due diligence matters;	2.10
09/15/17	JNB	Participate in call with proposed Monitor to discuss status of court materials;	0.20
09/15/17	JNB	Review draft affidavit of M. Teed-Murch and providing comments; review J. Dietrich comments; emails from and to S. Kukulowicz;	1.50
09/15/17	JDI	Review of draft affidavit; discussion with S. Kukulowicz; participate on status update call with Grant Thornton, Goodmans, A&M and Cassels; exchange of email regarding security review;	2.10

Date		Description	Hours
09/15/17	CHR	Emails and calls with working group; review real property searches with R. Ramgoolam; review draft affidavit; attend conference call with all parties; review security opinion; calls with Quebec agent;	5.20
09/15/17	RSK	Review of draft affidavit in support of CCAA proceedings; daily conference call with GT; telephone attendance with C. Armstrong regarding comments/questions on Initial Order and protocol; exchanged emails with C. Rich et al. regarding security opinion; dealing with potential US counsel for Monitor; daily conference call with GT, Goodmans and A&M;	2.80
09/15/17	MS	Preparation of Materials for CCAA filing.	5.80
09/16/17	JFR	Review title searches; review due diligence charts and materials; draft emails to Goodmans regarding real property deficiencies; respond to email correspondence;	2.90
09/16/17	JNB	Emails to and from S. Kukulowicz regarding draft court materials for CCAA application;	0.20
09/16/17	SMO	Took notes on call with Goodmans LLP for M. Sassi, J. Dietrich, and S. Kukulowicz;	0.40
09/16/17	JDI	Review of emails regarding scheduling and status; participate on call regarding status update;	0.70
09/16/17	CHR	Emails with J. Freeman and S. Kukulowicz; review real estate summary;	1.10
09/16/17	RSK	Further efforts to secure US counsel; conference call with GT, Goodmans and A&M; further review of draft affidavit;	2.20
09/17/17	JFR	Review and respond to email correspondence; review real property security documents; consider real property security and title issues for owned properties;	2.60
09/17/17	SMO	Took notes on call with other parties for M. Sassi, J. Dietrich, and S. Kukulowicz;	0.40

Date		Description	Hours
09/17/17	JDI	Review of emails; discussion regarding US counsel; review of DIP Agreement; discussion with A&M, GT and Goodmans regarding DIP background; follow up discussion with GT; discussion with C. Rich, C. Armstrong and D. Dedic regarding DIP and next steps; exchange of email regarding outstanding issues;	4.10
09/17/17	CHR	Review draft DIP credit agreement; emails with J. Dietrich and S. Kukulowicz; attend conference call with all parties regarding DIP; attend conference call with Grant Thornton; call with Goodmans regarding DIP credit agreement; emails with J. Freeman;	4.10
09/17/17	RSK	Conference call with M. Creber regarding US counsel and other issues; conference call with A&M, Goodmans and GT regarding DIP financing process and terms; follow up discussion with GT; review of draft credit agreement; arranged for US counsel and provided background; review of Lazard summary of DIP process;	2.10
09/17/17	MS	Call regarding CCAA filing.	0.20

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Chuck Rich	18.70	740.00	13,838.00
Jane Dietrich	9.10	710.00	6,461.00
John N. Birch	7.90	850.00	6,715.00
Jonathan Freeman	12.10	675.00	8,167.50
Kwaku Tabi	0.10	370.00	37.00
Mike R. Tallim	5.00	390.00	1,950.00
Monique Sassi	11.60	465.00	5,394.00
Ross R. Ramgoolam	11.80	500.00	5,900.00
Ryan Jacobs	1.00	875.00	875.00
Samuel Massie	6.40	370.00	2,368.00
Shayne Kukulowicz	14.90	950.00	14,155.00
Sophie Moher	4.30	370.00	1,591.00
Our Fee			67,451.50
HST on Fees			8,768.70
Total Fees and Tax			76,220.20

Taxable Disbursements

Copies	111.75	
Title Search	2.00	
Total Taxable Disbursements		113.75
HST on Disbursements	14.79	
Total Tax on Disbursements		14.79
Total Taxable Disbursements and Tax		128.54

Non-Taxable Disbursements

Title Search	2.00	
Sub-total		2.00
Total Disbursements and Tax		130.54
Total Fees, Disbursements & Tax		\$ 76,350.74



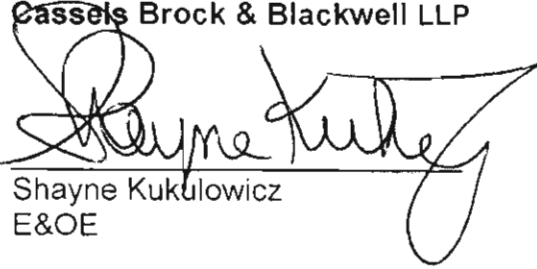
-8-

Less Funds In Trust \$ 75,000.00

Total Amount Owing \$ 1,350.74

This is our account herein

Cassels Brock & Blackwell LLP



Shayne Kukulowicz
E&OE



GRANT THORNTON LIMITED
ATTN: MICHAEL CREBER
200 KING STREET WEST, 11TH FLOOR BOX 11
TORONTO, ON M5H 3T4

Date: 10/13/17
Our File #: 025614-00030
Invoice #: 2025869
HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 09/30/17

Date		Description	Hours
09/13/17	AMO	Correspondence with CBB team; review of email correspondence;	0.40
09/13/17	HLW	Receipt and review of various property for opinion and review of requirements for same; correspondence regarding same;	2.80
09/14/17	AMO	Review of correspondence regarding real estate matters;	0.30
09/18/17	SMA	Completing review of IP searches to ensure that valid security exists in trademark registrations;	1.30
09/18/17	RRR	To amend and draft real property section of security review letter;	5.30
09/18/17	JNB	Participate in CBB conference call with Monitor to discuss Applicant's affidavit and payment of pre-filing amounts; review and comment on next draft of Teed-Murch affidavit;	2.60
09/18/17	JNB	Review and provide comments on draft Monitor's report;	1.50
09/18/17	SMO	Took notes on call with GT for J. Dietrich and S. Kukulowicz; revised changes to pre-filing report for C. Rich; reviewed draft affidavit; took notes on calls with GT, Goodmans, and Goodmans' clients; Made changes to draft affidavit, initial order, and pre-filing report and circulated drafts;	7.40

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
09/18/17	MS	Review of court materials for CCAA Proceedings; calls regarding same and preparation of pre-filing report;	8.10
09/18/17	JFR	Review and respond to email correspondence; calls with C. Rich regarding opinion and security related matters; call with B. King regarding MB title and security related matters; review and comment on security opinion letter; meetings with R. Ramgoolam regarding security related matters;	6.20
09/18/17	JDI	Review of revised affidavit and initial order and provide comments; review of draft report and provide comments; various discussions regarding status of filing documents and next steps; review of further revised report; review of draft first day declarations; discussions with Allen & Overy and review of cross boarder protocol issues; discussions with Goodmans and S. Kukulowicz regarding status; emails regarding draft report to Goodmans for review;	10.80
09/18/17	CHR	Numerous calls and emails with working group; review affidavit and declarations; review and revise monitor's report; continue security review; review draft order;	10.30
09/18/17	HLW	Review of security documents for security opinion;	2.00

Date		Description	Hours
09/18/17	RSK	Review of revised affidavit and draft report; daily conference call with GT regarding filing documents and issues; conference call with K. Coleman regarding background and mandate; provided cross border protocol to K. Coleman; exchanged emails with M. Creber regarding Monitor's consent; conference call with GT regarding substantive comments on draft affidavit; conference call with GT, Goodmans and A&M regarding various issues; exchanged emails and telephone attendance with K. Coleman regarding review of cross border protocol; review of draft US first day declarations; review of communications materials; review of updated draft report and conference call/emails with GT regarding report and Initial Order; telephone attendance with B. Empey regarding status; review of 13 weeks cash flows;	9.80
09/19/17	JFR	Review and respond to email correspondence; review Edmonton title documents; meetings with R. Ramgoolam; review and comment on revised opinion letter; consider real property securities matters; calls with L. Williams;	4.70
09/19/17	SMO	Took notes on calls and made changes to documents regarding the affidavit, pre-filing report, initial order, and cross border protocol for M. Sassi, J. Dietrich, and S. Kukulowicz; attended court with J. Dietrich and S. Kukulowicz; filed pre-filing report;	8.50
09/19/17	MS	Preparation of report for CCAA filing; review of materials and implementation of comments regarding same; calls and correspondence regarding same;	10.10

Date		Description	Hours
09/19/17	JDI	Review of comments on draft report; email exchange regarding status; review of documentation for filing including draft affidavit, order, cross border protocol and DIP agreement, US filings and proposed monitors report and provide comments on each; preparation for and attend at court for initial hearing; communication with US counsel regarding US hearings; email exchange regarding trailer issues;	9.30
09/19/17	RSK	Review of press release; review of revised CCAA documents; forwarded cross border protocol to Allen & Overy; office conference with Cassels team regarding revisions to Pre-filing Report; conference calls with GT regarding report and other issues (including US filing date); review of final DIP and fee letter; further review of draft report; review of draft factum and updated Initial Order; exchanged emails and discussion with GT regarding DIP fees; dealing with finalization of Pre-filing Report (including DIP lender comments and emailed same to Court; attended Court hearing; review of emails from A&M et al. regarding issue with transportation company;	9.80
09/19/17	HLW	Further review of security and registrations for opinion; review of form of opinion and providing comments in relation to same;	5.50
09/19/17	RRR	To review of final draft of security opinion;	1.90
09/19/17	CHR	Numerous calls and emails with working group; review draft orders, declarations and affidavit; review draft DIP credit agreement; review and revise monitor's report; continue security review;	10.80
09/19/17	SMA	Review and revision to schedules of security review letter, specifically focusing on the PPSA and IP search summaries;	0.50
09/20/17	SMO	Took notes on daily call with client; revised service list; read decision of Justice Myers; reviewed and updated service list;	2.80

Date		Description	Hours
09/20/17	MS	Update call; discussion with S. Moher regarding stay and service list and correspondence regarding same;	0.90
09/20/17	RRR	To amend real property section of opinion; to review of option agreement and first right of refusal agreements registered on title to gateway property; to draft appropriate opinion language relating to foregoing;	3.50
09/20/17	JFR	Review and respond to email correspondence; consider real property security matters; review and comment on security opinion letter; consider real property matters; review opinion from Pitblado;	2.70
09/20/17	JDI	Review of email; discussion with GT regarding outstanding issues; discussion with Goodmans, A&M and GT regarding outstanding issues and next steps; review of email; review of draft security opinion and provide comments;	3.10
09/20/17	CHR	Emails and calls with working group; revise security review letter;	3.90
09/20/17	RSK	Review of ABL closing funds flow and related emails; review of various US orders;	0.70
09/20/17	RSK	Review of decision in support of Initial Order and circulated same; daily conference call with GT; conference call with Goodmans, GT and A&M regarding Speedy Transportation issue; review of revised security opinion and related emails; review of Lender presentation; review of DIP closing update;	2.80
09/21/17	SWA	Work on service list; email to S. Moher regarding same;	1.60
09/21/17	SMA	Compiling opinions for Security Review Letter and circulating letter for review;	0.90

Date		Description	Hours
09/21/17	JDI	Review of emails; review of service list requests; review of critical supplier request form; participate in call with GT regarding update; email exchange regarding DIP closing issues; participate in call with Goodmans, A&M and GT regarding outstanding issues and status; follow up discussion with M. Creber;	2.20
09/21/17	RSK	Daily GT update call; review of correspondence regarding Speedy Transportation; review of emails regarding Barrie store construction payment issues; review of form to deal with critical vendors; review of US orders; review of email from J. Grout regarding supplier issue and related discussions with Monitor; conference call with Goodmans and Monitor regarding various issues; review of draft CCAA notices and related emails;	3.30
09/21/17	SMO	Organized service list contact information and communicated to service list;	1.20
09/22/17	SWA	Review of email; further additions to the service list; send updated service lists to GT to be posted on the website;	0.90
09/22/17	JDI	Return message to L. Galessiere; discussion with L. Galessiere; follow up call with L. Galessiere regarding upcoming motions; review of draft notices and provide comments; exchange of email;	1.20
09/22/17	RSK	Office conference with J. Dietrich regarding status; review of final DIP documents and US order; final review of security opinion;	1.20
09/23/17	MS	Correspondence regarding service list;	0.30
09/23/17	JDI	Review of email regarding creditor listing;	0.30
09/25/17	SWA	Review of email; update service list; discussion with S. Moher; forward service lists to GT to be posted on website;	0.60
09/25/17	JNB	Review several issues arising out of Justice Myers's September 19 endorsement;	0.20

Date		Description	Hours
09/25/17	CHR	Call from S. Chenard; emails with S. Massie and B. King regarding security review letter;	0.50
09/25/17	SMO	Prepared memo regarding trailer issue for M. Sassi; organized service list and correspondence with individuals to be added to the service list;	1.20
09/25/17	RSK	Review of emails regarding Speedy Transport and Irwin Toys; review of correspondence to Lego and Mattel; conference call with GT, Goodmans and A&M; review of DIP reporting; review of Court request form regarding Speedy Transport issues; exchanged emails regarding filing materials for Speedy Transport issue; email to C. Rich regarding security opinion;	2.20
09/25/17	JDI	Exchange of email regarding outstanding issues; return call of H. Fogul;	0.30
09/25/17	MS	Call regarding Speedy dispute; discussion with S. Moher regarding same;	1.60
09/26/17	CHR	Emails with S. Chenard and B. King; meet with S. Massie; revise security review letter; emails with J. Dietrich;	0.60
09/26/17	SMA	Reviewing and compiling final version of Security Review Letter;	0.70
09/26/17	SMO	Reviewed court materials from Speedy sent to Goodmans; revised internal memo regarding dispute between Toys R Us and Speedy; reviewed precedent reports of monitors in preparation for comeback report;	2.70
09/26/17	MS	Calls and correspondence regarding dispute with Speedy including preparation of summary of facts and issues; review and comment on draft court materials;	1.90
09/26/17	SWA	Review of email; numerous updates to service list; send service lists to GT to be posted on the website;	0.80

Date		Description	Hours
09/26/17	JDI	Discussion with counsel to Speedy regarding potential dispute resolution; discussion with M. Creber regarding Speedy issues and other outstanding issues; discussion with B. Empey regarding status of settlement; discussion with D. Sobel regarding outstanding issues; participate on status update call; review of settlement terms and email exchange regarding same; return call from H. Fogul; review of various emails regarding service list requests;	2.60
09/26/17	RSK	Review of emails regarding Speedy Transport and draft materials for motion; review of memo regarding trailers issues; review of various reclamation demands in US proceedings; review of correspondence from counsel for Mattel; review of emails regarding Speedy settlement proposal; review of email from J. Neifeld (Allen and Overy) regarding appointment of UCC; exchanged message with Justice Myers regarding settlement of Speedy dispute; exchanged emails with J. Dietrich and B. Empey regarding report to court; review of BC claim for construction services;	2.70
09/27/17	SWA	Review of email; forward request for service form to G. Feldman (Miller Buckfire); send service lists to GT to be posted on the website;	0.50
09/27/17	SMO	Reviewed service list additions; conducted cursory review of American court filings for any potential issues relating to the Canadian entity; created list of upcoming US motions to flag; took notes on call with the Monitor regarding next steps;	2.50
09/27/17	SMA	Revising, compiling and executing security review letter;	0.40
09/27/17	MS	Review, comment and correspondence regarding settlement agreement; call with monitor and counsel regarding update and upcoming issues; review of US filings to determine any concerns for Monitor;	2.20

Date		Description	Hours
09/27/17	JDI	Discussion with H. Fogul; review of emails regarding creditor correspondence; participate in update call; review of draft Speedy agreement;	1.60
09/27/17	RSK	Review of update on US orders and pending motion; review of correspondence from counsel for Toys R Us to Mattel; review of draft Speedy Settlement Agreement and related emails;	1.80
09/28/17	JDI	Review of emails regarding scheduling of Comeback Motion and correspondence with Court regarding same; review of emails regarding supplier issues; participate in daily status call with company counsel and A&M; review of emails regarding supplier issues;	1.70
09/28/17	SMO	Drafted and revised letter regarding October 11 Comeback Date for service list; took notes on call with other parties regarding comeback motion and next steps;	1.20
09/28/17	MS	Correspondence regarding Comeback date and drafting letter to court regarding same; assisting with notification for the service list regarding comeback date; call with Monitor regarding update; correspondence regarding agreement with Speedy; correspondence with US counsel regarding Comeback materials;	3.30
09/28/17	RSK	Review of emails regarding Speedy settlement terms; review of email from Goodmans regarding comeback hearing date and communications to court and service list; review of invoices and analysis regarding Pro Build lien claim; review of emails regarding DIP financing priority against PPSA registrations;	1.40
09/28/17	CL	Delivery law to Superior Court;	0.60
09/28/17	SWA	Review of email; update service list;	0.10
09/29/17	MS	Calls and correspondence regarding settlement agreement;	1.20
09/29/17	SMO	Drafted and revised letter to additional service list recipients; took notes on call with GT; reviewed updated service list;	1.80

Date		Description	Hours
09/29/17	SWA	Receive email from S. Moher; update service list with Additional Notice Parties; send revised service lists to GT to be posted;	0.60
09/29/17	JDI	Review of email regarding settlement with Speedy; discussion with M. Creber; discussion with Goodmans regarding settlement terms; discussion regarding general update; discussion with Nintendo counsel regarding requested monitor acknowledgment and product shipment;	2.10
09/29/17	RSK	Review of emails regarding summary of US Chapter 11 proceedings; review of correspondence from counsel for Real Marketing regarding supply of goods and related emails; telephone attendance with N. Meakin (FTI) in capacity as advisor to UCC regarding various issues; review of correspondence from Goodmans to Power Pros; participated in conference call with GT, Goodmans and A&M regarding various issues; review of emails regarding Nintendo issues;	3.10

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Ardy Mohajer	0.70	465.00	325.50
Chuck Rich	26.10	740.00	19,314.00
Conrad Lee	0.60	175.00	105.00
H. Lance Williams	10.30	615.00	6,334.50
Jane Dietrich	35.20	710.00	24,992.00
John N. Birch	4.30	850.00	3,655.00
Jonathan Freeman	13.60	675.00	9,180.00
Monique Sassi	29.60	465.00	13,764.00
Ross R. Ramgoolam	10.70	500.00	5,350.00
Samuel Massie	3.80	370.00	1,406.00
Shayne Kukulowicz	38.80	950.00	36,860.00
Sophie Moher	29.30	370.00	10,841.00
Stephanie Waugh	5.10	200.00	1,020.00
Our Fee			133,147.00
HST on Fees			17,309.11
Total Fees and Tax			150,456.11

Taxable Disbursements

Copies	557.00	
Delivery	23.86	
Binding, Tabs, Disks, etc	5.21	
Telephone	0.99	
Meals	48.90	
Courier Delivery Charges	27.00	
Title Search	21.50	
Total Taxable Disbursements		684.46
HST on Disbursements	88.98	
Total Tax on Disbursements		88.98
Total Taxable Disbursements and Tax		773.44

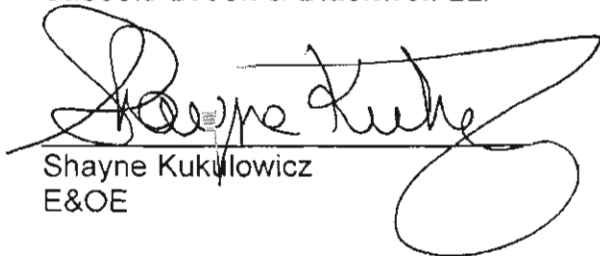


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Non-Taxable Disbursements

Title Search	21.50	
Sub-total		21.50
Total Disbursements and Tax		<u>794.94</u>
Total Fees, Disbursements & Tax		<u>\$ 151,251.05</u>

This is our account herein
Cassels Brock & Blackwell LLP


Shayne Kukulowicz
E&OE



GRANT THORNTON LIMITED
ATTN: MICHAEL CREBER
200 KING STREET WEST, 11TH FLOOR BOX 11
TORONTO, ON M5H 3T4
CANADA

Date: 10/26/17
Our File #: 025614-00030
Invoice #: 2026957
HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 10/15/17

Date		Description	Hours
10/02/17	JDI	Exchange of email regarding outstanding issues;	0.30
10/02/17	SWA	Review of email; update service list; send service lists to GT to be posted;	0.30
10/02/17	SMO	Reviewed and made changes to service list additions;	0.20
10/02/17	RSK	Review of US filings; office conference with J. Dietrich regarding various issues including suppliers and comeback hearing; review of DIP documents regarding priming and inter-company advances;	1.70
10/03/17	SWA	Review of email; update service lists; forward same to GT to be posted;	0.20
10/03/17	JDI	Review of email and discussion with M. Creber; voicemail to C. Armstrong; review of email from Allen & Overy; email exchange regarding claims transfer request; discussion with US based creditor regarding CCAA questions; review of draft comeback material and email comments regarding same; telephone discussion with monitor regarding comments on draft material;	2.30
10/03/17	CHR	Meet with M. Sassi and S. Moher;	0.70

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
10/03/17	SMO	Reviewed initial order and pre-filing report to determine current situation regarding charges and priorities for M. Sassi; reviewed draft section from US counsel for the Monitor's Report; took notes on calls with GT and with Toys R Us and their counsel; reviewed and updated service list; reviewed draft affidavit, amended and restated initial order, and stay extension order;	5.10
10/03/17	MS	Calls and correspondence regarding comeback materials; review of comeback materials and providing comments regarding same; calls with Monitor regarding report; correspondence with US Counsel regarding riders for report and US filings; review of charges and priming in respect of Comeback hearing; correspondence regarding PPSA registrants and responses; correspondence and draft response regarding transfer of claim;	9.00
10/03/17	RSK	Review of emails regarding Real Marketing; review of emails regarding comeback motion materials and supplier issues; review of emails regarding process for transfer of claims (and correspondence from claims trader); exchanged emails with N. Meakin et al. regarding adding UCC advisors to service list; review of draft section of US proceedings to include in Monitor's report for comeback hearing; conference call with GT, Goodmans and A&M regarding various issues; review of actual to budget cash flow analysis; review of draft motion materials prepared by Goodmans; conference call with GT regarding same;	3.40
10/04/17	JDI	Participate in discussion regarding come back motion materials; review of email and respond; participate in daily status update call;	1.40

Date		Description	Hours
10/04/17	SMO	Drafted and revised letter regarding stay of proceedings to send to PPSA Creditor; took notes on call with other parties regarding Comeback Motion materials; reviewed executed security review letter to ensure accuracy of parties and their registrations; reviewed updated service list;	2.90
10/04/17	SWA	Review of email; update service list; forward same to Goodmans; forward lists to GT to be posted;	0.60
10/04/17	RSK	Review of mark-ups of draft comeback materials and related emails; review of emails regarding requests to amend initial order; office conference with S. Moher regarding letter to Messageris ADP and communications with various PPSA registrants; participated in daily professionals call; review of update regarding US filings;	2.20
10/05/17	JDI	Review of draft Monitor's report and provide comments on same to S. Moher; further revisions to draft monitor's report and emails regarding same; review of confidential appendix; review of Atlas agreement and provide comments on same to M. Creber; discussion with company counsel and financial advisor regarding outstanding issues; discussion with M. Creber and D. Sobel regarding comments on draft report;	4.10
10/05/17	SMO	Read, provided comments for, and revised drafts of the First Report of the Monitor; read materials of the Applicant in preparation for the Comeback Motion; took notes on calls with other parties including GT; inputted revisions from other parties into the Monitor's draft first report;	7.00
10/05/17	RSK	Review of draft First Report from D. Sobel and related comments/revisions; review of claims transfers and related emails; various conference calls regarding First Report; review of draft Factum of the Applicant;	3.30

Date		Description	Hours
10/05/17	SWA	Review of email; update service list; forward same to Goodmans; forward service list to GT to be posted;	0.30
10/06/17	SMO	Made changes to versions of draft report; read factum of the applicant; took notes on calls with client regarding First Report of the Monitor; served First Report of the Monitor; filed First Report of the Monitor with the Court;	6.80
10/06/17	SWA	Review of email; update service list;	0.10
10/06/17	JDI	Review of additional comments on draft monitors' report; discussion with GT regarding finalization of Monitor's report; review of factum and email regarding comments on same; exchange of email;	2.20
10/06/17	RSK	Review of comments on draft First Report and revised versions; review of finalized Factum;	1.40
10/07/17	JDI	Review of emails regarding additional US filings; review of emails regarding supplier issues;	0.30
10/09/17	SMO	Reviewed court materials of the applicant in preparation for comeback motion;	2.50
10/09/17	RSK	Review of A&M update regarding Nintendo issues;	0.20
10/10/17	SWA	Review of email; update service list; forward same to GT to be posted on website;	0.20
10/10/17	SMO	Reviewed emails from US counsel; drafted emails to PPSA creditors regarding claims for goods; reviewed updated service list; took notes on call with various parties;	1.80
10/10/17	JDI	Review of correspondence and comments on same; discussion regarding supplier issues; comment on draft correspondence with suppliers; provide comments on settlement agreement;	2.80
10/10/17	RSK	Review of emails regarding Messengeris ADP claims; review of summary of pre-filing payments;	0.40
10/11/17	SWA	Review of email; update service list; send same to Goodmans; forward lists to GT to be posted on website;	0.20

Date		Description	Hours
10/11/17	SMO	Responded to email from PPSA creditor; attended court for comeback motion with J. Dietrich; reviewed and saved US filings received from US counsel; reviewed service list additions;	1.80
10/11/17	JDI	Preparation for and attendance at Court regarding stay extension and comeback motion; review of draft letter regarding supplier issues and exchange of email regarding same; discussion with M. Creber; exchange of messages with C. Armstrong;	3.30
10/11/17	RSK	Review of US reclamation pleadings; office conference with J. Dietrich regarding comeback hearing; review of signed orders and endorsement; review of notice of designation from Revenue Quebec;	0.90
10/12/17	JDI	Discussion with C. Armstrong regarding supplier issues; exchange of email regarding supplier issues; various emails regarding reclamation demands; participate on status update calls;	1.60
10/12/17	SWA	Review of email; update service list; forward same to Goodmans and GT;	0.20
10/12/17	SMO	Responded to PPSA Creditor emails; reviewed updated service list; took notes on call with TRU parties;	0.60
10/12/17	RSK	Review of emails regarding Wells Fargo claims;	0.30
10/13/17	SMO	Reviewed court documents from US counsel; Reviewed updated service list;	0.50
10/13/17	SWA	Review of emails; update service list and forward same to GT to be posted on website;	0.20
10/13/17	JDI	Exchange of email regarding supplier issues;	0.50

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Chuck Rich	0.70	740.00	518.00
Jane Dietrich	18.80	710.00	13,348.00
Monique Sassi	9.00	465.00	4,185.00
Shayne Kukulowicz	13.80	950.00	13,110.00
Sophie Moher	29.20	370.00	10,804.00
Stephanie Waugh	2.30	200.00	460.00
			<hr/>
Our Fee			42,425.00
HST on Fees			5,515.25
Total Fees and Tax			<hr/> 47,940.25

Taxable Disbursements

Copies	276.25	
Delivery	17.99	
Binding, Tabs, Disks, etc	57.02	
Telephone	32.04	
Agency Fees and Disbursements	13,531.50	
Courier Delivery Charges	17.28	
Total Taxable Disbursements	<hr/>	13,932.08
HST on Disbursements	1811.17	
Total Tax on Disbursements	<hr/>	1,811.17
Total Taxable Disbursements and Tax		<hr/> 15,743.25

Non-Taxable Disbursements

Agency Fees and Disbursements	109.00	
Sub-total	<hr/>	109.00
Total Disbursements and Tax		<hr/> 15,852.25

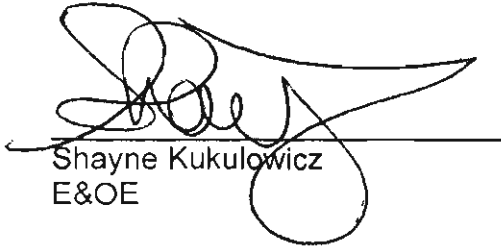


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Total Fees, Disbursements & Tax

\$ 63,792.50

This is our account herein
Cassels Brock & Blackwell LLP

A handwritten signature in black ink, appearing to read 'Shayne Kukulowicz', is written over a horizontal line. Below the line, the name 'Shayne Kukulowicz' and the initials 'E&OE' are printed.

Shayne Kukulowicz
E&OE



CASSELS BROCK
LAWYERS

GRANT THORNTON LIMITED
ATTN: MICHAEL CREBER
200 KING STREET WEST, 11TH FLOOR BOX 11
TORONTO, ON M5H 3T4
CANADA

Date: 11/20/17
Our File #: 025614-00030
Invoice #: 2028866
HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 10/31/17

Date		Description	Hours
10/16/17	SWA	Review of email; update service lists; forward same to Goodmans and GT;	0.20
10/16/17	SMO	Reviewed service list additions; took notes on daily call with the Company's counsel, the Monitor, and the Company's financial advisor; reviewed email summary from US counsel;	0.50
10/16/17	JDI	Attend daily update call; review of emails regarding Atlas settlement; review of emails regarding supplier issues;	0.60
10/16/17	RSK	Review of updated US motions;	0.40
10/17/17	SWA	Review of emails; update service list; forward same to Goodmans and GT;	0.30
10/17/17	JDI	Review of emails regarding Atlas agreement and supplier issues; participate in general update call;	0.40
10/17/17	CHR	Begin review of revised DIP order;	0.40
10/17/17	SMO	Reviewed service list additions;	0.40
10/17/17	RSK	Review of pleadings for US DIP motion and various objections;	1.10
10/18/17	SWA	Review of email; update service list; forward same to Goodmans and GT;	0.20

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
10/18/17	JDI	Review of US DIP Order and discussion with C. Rich; participate in daily update call regarding outstanding issues; discussion with C. Armstrong regarding US DIP Order; exchange of email with K. Coleman;	2.60
10/18/17	CHR	Review comments on US DIP order;	3.60
10/18/17	SMO	Reviewed summary of US hearings and updated chart sent by US counsel; reviewed service list additions; took notes on call with Monitor, Financial Advisor, and counsel to the company;	0.70
10/18/17	RSK	Review of US DIP order and related emails; review of further filings regarding US DIP Order;	0.80
10/19/17	SWA	Review of email; forward request for electronic service form to M. Dejesus of Rosenthal & Rosenthal, Inc.;	0.10
10/19/17	SMO	Reviewed email summaries from US counsel; took notes on call with Monitor, Financial Advisor, and counsel to the Company;	0.50
10/19/17	JDI	Review of email; discussion with Monitor and Allen & Overy regarding draft Final US DIP Order; draft email to C. Armstrong and circulate for comment; discussion with C. Armstrong; email exchange regarding Atlas agreement; participate in daily status update call; review of supplier agreement;	3.70
10/19/17	RSK	Conference call with M. Creber and K. Coleman regarding US DIP Order and ability to borrow from Toys Canada; review of intercreditor agreement; review of draft comments on US DIP Order and email to Goodmans;	1.40
10/20/17	JDI	Discussion with D. Sobel; discussion with C. Armstrong; conversation with C. Armstrong regarding US Final DIP Order; email to client and K. Coleman regarding US Final DIP Order; review of construction lien issue and draft release and email regarding same; review of email regarding supplier issues;	1.40

Date		Description	Hours
10/20/17	RSK	Review of emails regarding concerns with US DIP order provision for inter-company advances; review of proposed submission by US Counsel; review of chart with status of US objections;	0.90
10/21/17	JDI	Exchange of email regarding supplier issues;	0.40
10/22/17	JDI	Exchange of email regarding outstanding issues;	0.20
10/22/17	RSK	Review of emails with US counsel regarding DIP financing order and inter-company loan permissions;	0.30
10/23/17	SWA	Review of email; forward request for electronic service form to Cowen Special Investments LLC;	0.10
10/23/17	JDI	Review of Supplier agreement and discussion with M. Creber and D. Sobel; discussion with C. Armstrong; exchange of messages with K. Coleman; email exchange with M. Creber regarding US DIP Order; further conversation with C. Armstrong; participate in daily update call; further review of amended US Final DIP Order and exchange of messages regarding same;	3.00
10/23/17	SMO	Took notes on daily call with other parties; reviewed materials sent from US counsel;	0.80
10/23/17	RSK	Review of further emails regarding inter-company loan permissions in US DIP Order; review of various US pleadings in connection with US DIP Order and other relief;	2.20
10/24/17	SMO	Reviewed materials sent from US counsel; listened to and took notes on US court proceedings; took notes on daily call with other parties;	1.90
10/24/17	JDI	Review of email regarding updated matters for hearing; listen to US hearing by conference call; participate in daily status update;	2.40
10/24/17	SWA	Review of email; update service lists;	0.10
10/24/17	RSK	Review of further pleadings regarding US hearing; review of report from US hearing and copies of orders; review of list of transferred claims;	1.10
10/25/17	SMO	Reviewed emails from US counsel;	0.10

Date		Description	Hours
10/25/17	JDI	Review of email;	0.40
10/25/17	RSK	Review of additional US Orders granted at October 24 hearing;	0.30
10/26/17	SMO	Took notes on daily call with parties;	0.40
10/26/17	SMO	Reviewed emails from US counsel and diarized relevant dates; reviewed updated service list;	0.10
10/26/17	JDI	Exchange of email regarding supplier agreement; discussion with D. Sobel; discussion with C. Armstrong; participate in general update call;	1.40
10/26/17	RSK	Review of various US retention applications;	0.30
10/27/17	JDI	Review of email;	0.20
10/27/17	RSK	Review of various US motions including motion to settle de minimus claims;	0.70
10/30/17	JDI	Review of revised supplier agreement and emails regarding same; discussion with S. Kukulowicz;	0.60
10/31/17	JDI	Discussion with C. Armstrong; review of motion regarding de minimis settlements and voicemail to C. Armstrong; review of revised ISG settlement agreement and exchange of email regarding same;	1.00
10/31/17	RSK	Review of emails from Allen & Overy et al. regarding de minimus settlement motion; review of US motions regarding administrative priority claims;	1.10
10/31/17	SMO	Reviewed documents from US counsel;	0.10

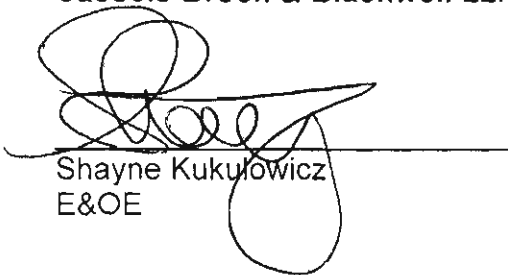
Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Chuck Rich	4.00	740.00	2,960.00
Jane Dietrich	18.30	710.00	12,993.00
Shayne Kukulowicz	10.60	950.00	10,070.00
Sophie Moher	5.50	370.00	2,035.00
Stephanie Waugh	1.00	200.00	200.00
			<hr/>
Our Fee			28,258.00
HST on Fees			<hr/> 3,673.54
Total Fees and Tax			<hr/>31,931.54

Taxable Disbursements

Copies	<hr/> 123.25	
Total Taxable Disbursements		123.25
HST on Disbursements	<hr/> 16.02	
Total Tax on Disbursements		16.02
Total Disbursements and Tax		<hr/> 139.27
Total Fees, Disbursements & Tax		<hr/><u>\$ 32,070.81</u>

This is our account herein
Cassels Brock & Blackwell LLP



Shayne Kukulowicz
E&OE



GRANT THORNTON LIMITED
 ATTN: MICHAEL CREBER
 200 KING STREET WEST, 11TH FLOOR BOX 11
 TORONTO, ON M5H 3T4
 CANADA

Date: 12/19/17
 Our File #: 025614-00030
 Invoice #: 2031463
 HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 11/30/17

Date		Description	Hours
11/01/17	JDI	Discussion with S. Moher regarding status; email exchange regarding supply agreement;	0.30
11/02/17	SMO	Took notes on bi-weekly call with parties; reviewed email and court materials from US counsel;	0.90
11/02/17	CHR	Calls with J. Dietrich regarding DIP Budget; review DIP order and DIP credit agreement;	0.70
11/02/17	JDI	Discussion with B. Whiffen; review of email; review of order; discussion with D. Sobel and M. Creber; follow up discussion with C. Rich; review of DIP Agreement; review of draft supplier agreement; discussion with M. Creber; discussion with Goodmans, A&M and GT regarding outstanding issues; review of revised agreement and email regarding same; review of email regarding supplier payments;	3.90
11/02/17	RSK	Review of various US filings;	0.40
11/03/17	SMO	Reviewed court materials from US counsel;	0.10
11/03/17	JDI	Email exchange regarding supplier agreement; review of further revised supplier agreement and email regarding same;	0.60
11/05/17	JDI	Email exchange with B. Wiffen regarding supplier agreement;	0.20

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
11/06/17	JDI	Exchange of email regarding supplier agreement; discussion with Grant Thornton regarding outstanding issues; further exchange of messages regarding supplier agreement issues;	1.20
11/07/17	SWA	Review of email; update service lists and forward same to GT and Goodmans;	0.20
11/07/17	JDI	Review of proposed settlement motion language and email exchange regarding same; review of revised supplier agreement language; participate in status update call with Toys' counsel, A&M and GT;	1.10
11/07/17	SMO	Took notes on daily call with parties; reviewed updated service list;	0.60
11/07/17	RSK	Participated in update call with Monitor, Goodmans and A&M; review of revised language to exclude TRU Canada from US de minimus claims settlement order;	0.80
11/08/17	JDI	Review of revisions to supplier agreement; discussion with GT; discussion with B. Whiffen;	0.70
11/09/17	JDI	Review of emails; participate in status update call with company counsel, A&M and GT;	0.70
11/09/17	SMO	Took notes on bi-weekly call with parties; reviewed email from US counsel regarding US motions;	0.70
11/09/17	RSK	Review of consolidated budget and summary of foreign payments; review of update regarding US docket;	1.60
11/10/17	SMO	Reviewed emails from US counsel;	0.10
11/10/17	JDI	Email exchange regarding KERP hearing; review of cash flow information; exchange of email with M. Creber; voicemail from B. Wiffen regarding supplier agreement; review of emails regarding US filings;	1.20
11/10/17	RSK	Review of emails regarding scheduling of KERP hearing; review of emails regarding cash flow forecast; review of updated list of US hearings;	0.80

Date		Description	Hours
11/13/17	JDI	Review of emails; discussion with M. Creber and D. Sobel regarding DIP Budget issues; discussion with M. Creber and D. Sobel regarding claims assignment and claims process issues;	1.10
11/13/17	RSK	Review of US filings;	0.40
11/13/17	SWA	Review of email; update service lists; send same to GT and Goodmans;	0.10
11/13/17	SMO	Reviewed service list additions; reviewed email summaries from US counsel regarding upcoming motions;	0.20
11/14/17	SMO	Reviewed revised motion materials from US counsel; took notes on bi-weekly call with other parties;	0.70
11/14/17	JDI	Review of email revised supplier agreement and email exchange with M. Creber and D. Sobel; review and exchange of email regarding supplier agreements; participate on status update call; follow up discussion with M. Creber regarding DIP Budget issues; email to Goodmans regarding DIP Budget issues; review of contract motion and email to C. Armstrong;	1.70
11/14/17	RSK	Office conference with J. Dietrich regarding status; review of confirmation regarding KERP hearing; review of US motion to reject or assume executor contracts or unexpired leases;	1.30
11/15/17	JDI	Exchange of email regarding US motions; discussion with M. Creber; review of revised agenda;	0.40
11/15/17	SMO	Reviewed emails from US counsel;	0.30
11/15/17	RSK	Review of US filings regarding incentive plan and compensation program; review of summary from J. Neifeld; office conference with J. Dietrich regarding various issues;	1.10
11/16/17	SMO	Reviewed emails from US counsel regarding docket updates; listened to and took notes on US court proceedings; took notes on bi-weekly call with other parties;	2.20

Date		Description	Hours
11/16/17	JDI	Review of revised order; exchange of email; listen to a portion of US hearing; participate in status update call;	2.30
11/16/17	RSK	Review of revised US filing regarding de minimus claims procedure; review of summary of US hearing;	0.40
11/17/17	SMO	Reviewed email summary from US counsel regarding US hearings;	0.20
11/17/17	RSK	Review of lift stay motion by Walters Acquisition; review of other US filings;	0.50
11/20/17	JDI	Discussion with M. Creber; review of email from B. Wiffen and respond to same;	0.30
11/20/17	SMO	Reviewed emails from US counsel regarding US proceedings;	0.20
11/21/17	JDI	Participate in update call;	0.40
11/21/17	SMO	Took notes on bi-weekly call with other parties;	0.40
11/21/17	RSK	Review of press reports on proposed KERP; review of updated US filings;	0.70
11/22/17	JDI	Review of draft US claims order; review of KERP material;	1.60
11/22/17	SMO	Reviewed emails from US counsel;	0.10
11/22/17	RSK	Review of US filing regarding insurance order;	0.20
11/23/17	JDI	Discussion with M. Wagner regarding claims process order; follow up with M. Creber; discussion with M. Creber and D. Sobel regarding claims process order; email exchange regarding draft order language for US motions;	0.90
11/23/17	RSK	Review of carve out language in US motion for procedure to assume or reject executory contracts and related emails;	0.30
11/27/17	SMO	Took notes on call regarding KERP and TAD; reviewed US motion for non-insider compensation program to understand in relation to upcoming Canadian KERP;	1.10
11/27/17	JDI	Participate in call regarding KERP; discussion with M. Creber;	0.80

Date		Description	Hours
11/28/17	JDI	Review of email; participate in update call; email exchange with US counsel;	0.80
11/28/17	SMO	Took notes on bi-weekly call with other parties; reviewed US motion regarding senior executive compensation; reviewed email from US counsel;	1.90
11/28/17	RSK	Review of US filings;	0.80
11/29/17	JDI	Exchange of email regarding motions; review of draft affidavit and order;	1.30
11/29/17	RSK	Review of summary of critical vendor payments; review of US filings;	1.10
11/30/17	SMO	Reviewed email from US counsel;	0.20
11/30/17	JDI	Discussion with M. Creber, D. Sobel and S. Kukulowicz; exchange of messages with C. Armstrong; review of letter regarding BC action and email same to M. Creber;	1.20
11/30/17	RSK	Review of summary of US proceedings from J. Neifeld;	0.30

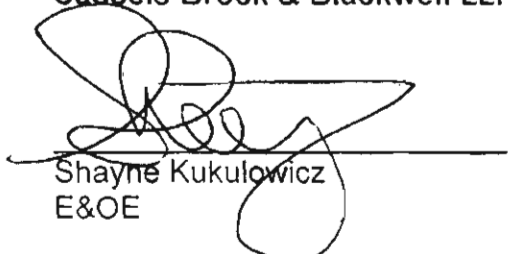
Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Chuck Rich	0.70	740.00	518.00
Jane Dietrich	22.70	710.00	16,117.00
Shayne Kukulowicz	10.70	950.00	10,165.00
Sophie Moher	9.90	370.00	3,663.00
Stephanie Waugh	0.30	200.00	60.00
			<hr/>
Our Fee			30,523.00
HST on Fees			<hr/> 3,967.99
Total Fees and Tax			<hr/>34,490.99

Taxable Disbursements

Copies	26.50	
Telephone	<hr/> 10.11	
Total Taxable Disbursements		36.61
HST on Disbursements	<hr/> 4.76	
Total Tax on Disbursements		4.76
Total Disbursements and Tax		<hr/> 41.37
Total Fees, Disbursements & Tax		<hr/><u>\$ 34,532.36</u>

This is our account herein
Cassels Brock & Blackwell LLP



Shayne Kukulowicz
E&OE



GRANT THORNTON LIMITED
ATTN: MICHAEL CREBER
200 KING STREET WEST, 11TH FLOOR BOX 11
TORONTO, ON M5H 3T4
CANADA

Date: 12/31/17
Our File #: 025614-00030
Invoice #: 2033869
HST/GST #: R121379572

Re: Restructuring Proceedings Of Toys "R" Us (Canada) Ltd.

TO PROFESSIONAL SERVICES RENDERED up to and including 12/31/17

Date		Description	Hours
12/01/17	KRT	Review and comment on KERP;	0.50
12/01/17	SMO	Took notes on bi-weekly call;	0.50
12/01/17	JDI	Review of employee compensation materials; exchange of email with GT; discussion regarding cash flow/variance issues; exchange of messages with C. Armstrong; discussion with C. Armstrong; participate in discussion regarding status update;	3.00
12/01/17	RSK	Review of draft Retention Bonus Agreement and related emails with Monitor; review of US filings; review of draft Second Report of the Monitor; participated in professionals update call;	2.10
12/03/17	SMO	Reviewed affidavit of Applicant and Second report of Monitor;	2.20
12/03/17	JDI	Review of draft report and consider issues; email regarding employee letter;	1.60
12/04/17	SMO	Made changes to Monitor's Report and appendix regarding Chapter 11 proceedings; reviewed email updates from US counsel;	2.40

Accounts are due when rendered. Pursuant to the Solicitors' Act, interest will be charged on any unpaid balance of this account from one month after the date rendered, at the rate of 1.30 % per annum until paid.

Date		Description	Hours
12/04/17	JDI	Revisions to draft report; review of revised affidavit; discussion with D. Sobel; discussion with C. Armstrong; email regarding outstanding matters; discussion with M. Creber and D. Sobel regarding draft report revisions and status; email exchange regarding additional US filings and status; email exchange regarding further revised report;	4.50
12/04/17	KRT	Review KERP issues;	0.20
12/04/17	RSK	Review of revised report and provided comments; telephone attendance with D. Sobel and J. Dietrich regarding incentive/retention programs; review of correspondence from Goodmans to service list regarding KERP motion; conference call with Monitor regarding KERP/TAD approval materials; review of US filings;	2.20
12/05/17	JDI	Listen to US Hearing; review of comments on monitor's report; discussion with D. Sobel; exchange of email regarding KERP letter; exchange of email with M. Creber; exchange of email with Allen & Overy;	5.70
12/05/17	SMO	Attempted to obtain contact information for GE VFS Limited Partnership regarding service of materials; listened in on US proceedings;	5.90
12/05/17	ALS	Received instructions from S. Moher; attended to corporate due diligence request matters on behalf of GE VFS Canada Limited Partnership; conducted registered office address diligence related to same;	0.50

Date		Description	Hours
12/05/17	KW	Review of due diligence search results with respect to Toys "R" US Canada Ltee; conduct entity search for Secured Party GE VFS Canada Limited Partnership; confirm active registration in Quebec and New Brunswick; conduct Quebec profile search; confirm Ontario extra-provincial registration and address of record; continue further searches against variations of the Secured Party's name and confirm existence of GF VFS Canada Limited Partnership/GE VFS Canada, Societe en Commandite; confirm Ontario limited partnerships registration and report;	0.50
12/05/17	RSK	Review of comments from Goodmans and A&M on draft Second Report; review of updates on US hearing for approval of SEIP and Non-Insider Compensation Plan; review of US filings; review of revised Second Report;	1.80
12/06/17	JDI	Call with M. Creber, D. Sobel and S. Moher regarding comments on report, US claims issues and KERP/TAD; follow up discussion with Allen & Overy and GT regarding report and US Claims issues; exchange of messages with Goodmans regarding report comments and changes to KERP/TAD; review of revised report and exchange of emails regarding same;	2.20
12/06/17	SMO	Reviewed US Counsel's materials from yesterday's US hearing; took notes on call with the Monitor; took notes on call with US counsel; took notes on call with Goodmans regarding changes to Monitor's report; reviewed email summary from US counsel; revised Monitor's report;	3.60
12/06/17	RSK	Review of served Motion Record for approval of KERP and modifications to TAD incentive program; review of emails regarding finalizing Second Report;	1.10

Date		Description	Hours
12/07/17	JDI	Review of exchange issues; discussion with M. Creber regarding outstanding issues; discussion with K. Coleman; discussion with S. Kukulowicz regarding exchange issues; participate in status update call;	2.10
12/07/17	SMO	Prepared service email; served Second Report of the Monitor; prepared affidavit of service; organized filing of the report with the court; took notes on bi-weekly call; emailed US counsel regarding 503(b)(9) claims;	1.50
12/07/17	RSK	Office conference with J. Dietrich regarding status; review of A&M memo regarding FX transactions; review of Applicant's factum;	1.20
12/07/17	GAN	Attend Commercial List to make filings; meet with S. Moher regarding same;	1.70
12/08/17	JDI	Participate in discussion regarding outstanding issues; review of factum; discussion with K. Coleman;	0.90
12/08/17	RSK	Review of US filings including Order approving SEIP and Non-Insider Compensation Program;	0.30
12/10/17	SMO	Reviewed email from US counsel;	0.10
12/11/17	JDI	Preparation for and attend at court regarding KERP motion;	3.30
12/11/17	RSK	Review of court endorsement approving compensation programs; review of direction regarding stay extension; further review of FX issue;	1.80
12/12/17	SWA	Review of email; update service lists; forward same to GT and Goodmans;	0.30
12/12/17	JDI	Discussion regarding outstanding issues with S. Kukulowicz; email exchange regarding court time;	0.40
12/12/17	RSK	Review of emails regarding scheduling of stay extension hearing;	0.30
12/13/17	SMO	Reviewed email from US counsel;	0.10

Date		Description	Hours
12/14/17	SMO	Reviewed internal email regarding foreign exchange contract issues; reviewed email from US counsel;	0.20
12/14/17	JDI	Discussion with S. Kukulowicz regarding foreign exchange contracts; email to Grant Thornton regarding exchange contracts; voicemail to C. Armstrong;	0.70
12/14/17	RSK	Office conference with J. Dietrich regarding FX issue and review of related documents and emails; review of US filings;	1.10
12/15/17	RSK	Review of US filings;	0.40
12/16/17	SMO	Reviewed email from US counsel;	0.10
12/18/17	JDI	Discussion with C. Armstrong regarding intercompany amounts; discussion with M. Creber, D. Sobel and S. Moher;	1.00
12/18/17	RSK	Review of US filings (UCC);	0.30
12/19/17	JDI	Listen to Toys US hearing; discussion with M. Creber regarding status;	0.80
12/19/17	SMO	Listened in on and took notes on US hearing;	0.30
12/19/17	RSK	Review of US filings by UCC and summary of US hearing;	0.40
12/20/17	RSK	Review of US filings and orders;	0.40
12/21/17	JDI	Discussion regarding BC claim;	0.60
12/21/17	RSK	Review of issued US Orders;	0.40
12/26/17	SMO	Reviewed emails from US counsel;	0.10
12/27/17	RSK	Review of US filings;	0.40
12/29/17	RSK	Review of Debtors' monthly operating report;	0.50

Time Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Alex Slota	0.50	200.00	100.00
Gaurav Anand	1.70	175.00	297.50
Jane Dietrich	26.80	710.00	19,028.00
Kellye Walker	0.50	255.00	127.50
Kristin Taylor	0.70	860.00	602.00
Shayne Kukulowicz	14.70	950.00	13,965.00
Sophie Moher	17.00	370.00	6,290.00
Stephanie Waugh	0.30	200.00	60.00
			<hr/>
Our Fee			40,470.00
HST on Fees			<u>5,261.10</u>
Total Fees and Tax			45,731.10

Taxable Disbursements

Copies	162.50	
Binding, Tabs, Disks, etc	28.60	
Telephone	9.00	
Corporate Search	7.00	
Courier Delivery Charges	9.72	
Total Taxable Disbursements	<hr/>	216.82
HST on Disbursements	<u>28.19</u>	
Total Tax on Disbursements		28.19
		<hr/>
Total Taxable Disbursements and Tax		245.01

Non-Taxable Disbursements

Corporate Filings	<u>8.00</u>	
Sub-total		8.00
Total Disbursements and Tax		<u>253.01</u>



-7-

Total Fees, Disbursements & Tax

\$ 45,984.11

This is our account herein

Cassels Brock & Blackwell LLP



Shayne Kukulowicz
E&OE

This is **Exhibit "B"** referred to in the affidavit of R. Shayne Kukulowicz sworn before me in the City of Toronto, in the Province of Ontario, this 18th day of January, 2018.


.....
A Commissioner For Taking Affidavits

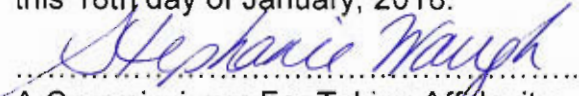
Stephanie Waugh, a
Commissioner, etc., Province of Ontario,
for Cassels Brock & Blackwell LLP,
Barristers and Solicitors.
Expires March 21, 2020.

EXHIBIT "B"
Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period September 11, 2017 to December 31, 2017

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disburse ments and HST (\$)	Hours Billed	Average Billed Rate (\$)
2023990 (September 11, 2017 – September 17, 2017)	67,451.50	115.75	8,783.49	76,350.74	102.9	655.51
2025869 (September 12, 2017 – September 30, 2017)	133,147.00	705.96	17,398.09	151,251.05	208.1	639.82
2026957 (October 2, 2017 – October 15, 2017)	42,425.00	14,041.08	7,326.42	63,792.50	73.8	574.86
2028866 (October 16, 2017 – October 31, 2017)	28,258.00	123.25	3,689.56	32,070.81	39.4	717.21
2031463 (November 1, 2017 – November 30, 2017)	30,523.00	36.61	3,972.75	34,532.36	44.3	689.01

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disburse ments and HST (\$)	Hours Billed	Average Billed Rate (\$)
2033869 (December 1, 2017 – December 31, 2017)	40,470.00	224.82	5,289.29	45,984.11	62.2	650.64
Total	342,274.50	15,247.47	46,459.60	403,981.57	530.7	

This is **Exhibit "C"** referred to in the affidavit of R. Shayne Kukulowicz sworn before me in the City of Toronto, in the Province of Ontario, this 18th day of January, 2018.


.....
A Commissioner For Taking Affidavits

**Stephanie Waugh, a
Commissioner, etc., Province of Ontario,
for Cassels Brock & Blackwell LLP,
Barristers and Solicitors.
Expires March 21, 2020.**

EXHIBIT "C"

Billing Rates of Cassels Brock & Blackwell LLP

For the period September 11, 2017 to December 31, 2017

Year of Call	Lawyer	Rate (\$)	Fees Billed (\$)	Hours Worked
para-professional	Alex Slota	200.00	100.00	0.50
2013	Ardy Mohajer	465.00	325.50	0.70
2000	Chuck Rich	740.00	37148.00	50.20
articling student	Conrad Lee	175.00	105.00	0.60
articling student	Gaurav Anand	175.00	297.50	1.70
2007 (Alberta), 2008 (Saskatchewan and British Columbia), 2015 Yukon	H. Lance Williams	615.00	6334.50	10.30
2004	Jane Dietrich	710.00	92939.00	130.90
1997	John N. Birch	850.00	10370.00	12.20
2005	Jonathan Freeman	675.00	17347.50	25.70
para-professional	Kellye Walker	255.00	127.50	0.50
1995 (Ontario), 2000 (New Brunswick)	Kristin Taylor	860.00	602.00	0.70
2016	Kwaku Tabi	370.00	37.00	0.10
2015	Mike R. Tallim	390.00	1950.00	5.00
2013	Monique Sassi	465.00	23343.00	50.20
2012	Ross R. Ramgoolam	500.00	11250.00	22.50
2004 (New York), 2011 Ontario	Ryan Jacobs	875.00	875.00	1.00
2017	Samuel Massie	370.00	3774.00	10.20
1990	Shayne Kukulowicz	950.00	98325.00	103.50
2017	Sophie Moher	370.00	35224.00	95.20
para-professional	Stephanie Waugh	200.00	1800.00	9.00

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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE
Applicant

ONTARIO

**SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding Commenced at Toronto

**AFFIDAVIT OF R. SHAYNE KUKULOWICZ
SWORN JANUARY 18, 2018**

CASSELS BROCK & BLACKWELL LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Shayne Kukulowicz LSUC#30729S
Tel: 416.860.6463
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Email: jdietrich@casselsbrock.com

Ryan C. Jacobs LSUC#59510J
Tel: 416.860.6465
Fax: 416.640.3189
Email: rjacobs@casselsbrock.com

Lawyers for the Monitor

APPENDIX 3

**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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE

Applicant

**AFFIDAVIT OF KEN COLEMAN
(sworn January 22, 2018)**

I, Ken Coleman, of the City of New York, in the State of New York, MAKE OATH
AND SAY:

1. I am an attorney licensed to practice law in the State of New York and am a partner at Allen & Overy LLP ("**A&O**"), U.S. legal counsel to Grant Thornton LLP, in its capacity as Monitor (the "**Monitor**") of the Applicant. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. During the period from September 11, 2017 to December 31, 2017, A&O incurred fees and disbursements in the amount of USD 116,932.56. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this affidavit.
3. Attached as **Exhibit "B"** is a schedule summarizing each Invoice, the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by A&O is USD 773.00.
4. Attached as **Exhibit "C"** is a schedule summarizing the respective years of bar admission and billing rates of each of the attorneys at A&O who acted for the Monitor and

the billing rates of each support personnel at A&O who assisted the attorneys in their work for the Monitor, as the case may be.

6. To the best of my knowledge, the rates charged by A&O throughout the course of these proceedings are comparable to the rates charged by other law firms in the New York City market for the provision of similar services, and the rates charged by A&O for services rendered in similar proceedings.

7. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

SWORN BEFORE ME at the City of New York, in the State of New York, on January 22, 2018.



Notary Public
SOMERSEL DAWN FRANCE
Notary Public, State of New York
No. 01FR8069782
Qualified in Queens County
Commission Expires Feb. 11, 2018



Ken Coleman

This is **Exhibit "A"** referred to in the affidavit of Ken Coleman sworn before me in the City of New York, in the State of New York, this 22nd day of January, 2018.

DF Somersel

.....
Notary Public

SOMERSEL DAWN FRANCE
Notary Public, State of New York
No. 01FR8069782
Qualified In Queens County
Commission Expires Feb. 11, 2018

EXHIBIT "A"

**True Copies of the Invoices Issued to the Monitor
for Fees and Disbursements Incurred by
A&O for the Period September 11, 2017 to December 31, 2017**

ALLEN & OVERY

Grant Thornton LLP
200 King Street, 11th Floor
Toronto, ON M5H 3T4
Canada
For the attention of Michael Creber

Allen & Overy LLP
1221 Avenue of the Americas
New York, NY 10020
USA

Tel 212 610 6300
Fax 212 610 6399

Business Registration N° 13-3302093
Tax Point 11 January 2018
Invoice Date 11 January 2018
Due Date 10 February 2018
Tax Invoice 6001029270

Subject Grant Thornton - Toys R Us
Our reference 0122924-0000001/KENC/JOSN
Period Period through 12/27/2017

Charges	USD
Legal Services	23,196.50
Other Charges	79.30
Subtotal	23,275.80
Disbursements	
Paid Disbursements	101.09
Subtotal	101.09
Total Charges and Disbursements	23,376.89
AMOUNT DUE	USD 23,376.89

We kindly request payment of USD 23,376.89 to the following bank account, quoting reference 6001029270 /0122924-0000001. If the details below are different to those you currently hold, please contact our Finance team before making payment.

Citigroup
153 E 53 St
New York, New York 10043
USA

Bank Account: 43233242

SWIFT: CITIUS33
Routing No. 021000089

Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. It is regulated by the Solicitors Regulation Authority of England and Wales. Allen & Overy LLP is a multi-jurisdictional law firm with lawyers admitted to practise in a variety of jurisdictions. A list of the members of Allen & Overy LLP and their professional qualifications is open to inspection at its registered office, One Bishops Square, London, E1 6AD and at the above address. The term partner is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications.

Allen & Overy LLP or an affiliated undertaking has an office in each of: Abu Dhabi, Amsterdam, Antwerp, Bangkok, Barcelona, Beijing, Belfast, Bratislava, Brussels, Bucharest (associated office), Budapest, Casablanca, Doha, Dubai, Düsseldorf, Frankfurt, Hamburg, Hanoi, Ho Chi Minh City, Hong Kong, Istanbul, Jakarta (associated office), Johannesburg, London, Luxembourg, Madrid, Milan, Moscow, Munich, New York, Paris, Perth, Prague, Riyadh (cooperation office), Rome, São Paulo, Seoul, Shanghai,

Grant Thornton LLP
Grant Thornton - Toys R Us
0122924-0000001

ALLEN & OVERY

Tax Invoice 6001029270

New York

Fee Earner Ken Coleman
Grade Snr Partner 0 Specialist

<u>Date</u>	<u>Description</u>	<u>Hours</u>
11/30/2017	Appendix for Monitor's report.	0.40
12/05/2017	Review draft monitor's report and revisions; conference with J. Neifeld.	0.30
12/06/2017	Attention to 503(b)(9) claims; conference call.	0.60
12/07/2017	Attention to claim stipulations and interco issues.	1.20
12/08/2017	Telephone conference with J. Dietrich re interco debt issue.	0.20
Total		2.70

Fee Earner Josh Neifeld
Grade Grade 15 Specialist

<u>Date</u>	<u>Description</u>	<u>Hours</u>
11/30/2017	Draft edits to monitor report, discuss same with K. Coleman, and email correspondence concerning same	3.40
12/01/2017	Review recent filings and email correspondence updating group regarding same	0.30
12/04/2017	Review edits to U.S. sections to monitor report; review 503(b)(9) applications; draft edits to US section and email correspondence concerning same with K. Coleman	3.50
12/05/2017	Telephonically attend U.S. hearing concerning compensation motions and email correspondence concerning same; review recent filings and email correspondence concerning same; discuss 503(b)(9) applications with K. Coleman and email correspondence to Cassels regarding same	6.60
12/06/2017	Review recent filings and email correspondence concerning same; email correspondence with Cassels team regarding U.S. section of monitor's report; attend call with Monitor team regarding 503(b)(9) applications	2.00
12/07/2017	Review DIP financing orders and schedules regarding Toys Canada cash positions and in connection with UCC motion for authority to conduct discovery; conversation with K. Coleman regarding same	2.20
12/08/2017	Review recent filings and email correspondence summarizing same; email correspondence with Cassels regarding 503(b)(9) applications	0.70
12/12/2017	Review recent filings and email correspondence summarizing same	0.30
12/13/2017	Review recent docket filings including objection to contract rejection procedures motion and send email summary regarding same	0.60
12/14/2017	Email correspondence relating to summaries of recently filed docket items in US proceedings	0.50
12/15/2017	Review recent docket filings and email summary correspondence concerning same	0.80
12/16/2017	Review motions made in connection with assuming IP agreements and email correspondence summarizing same	2.90
12/18/2017	Review recent docket filings and email correspondence concerning same	0.30
12/19/2017	Review recent docket filings and email correspondence summarizing same	1.20
12/21/2017	Review recent docket filings and send email summary concerning same	0.80
12/26/2017	Email correspondence relating to recent docket filings	0.60
12/27/2017	Email correspondence regarding recent docket filings	0.30
Total		27.00

Fee Earner Katherine Crisp
Grade Grade 13

<u>Date</u>	<u>Description</u>	<u>Hours</u>
12/05/2017	Comm w/ J. Neifeld, compile 503(b)(9) motions to be heard at Dec. 19 hearing for circulation to client	0.50
12/08/2017	Comms w/ J Neifeld; review compiled list of 503(b)(9) claims to be heard at 12-19 hearing, draft response to client	0.30

Total **0.80**

Fee Earner Kurt Vellek

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Tax Invoice 6001029270

Grade Paralegal 1

<u>Date</u>	<u>Description</u>	<u>Hours</u>
12/12/2017	Edit and send cover letter along with Second Monitor's Report to Bankruptcy Court; exchange emails with J Neifeld.	0.40
Total		0.40
Total - New York		30.90
Legal Services		30.90

Grant Thornton LLP
Grant Thornton - Toys R Us
0122924-0000001

ALLEN & OVERY

Tax Invoice 6001029270

Other Charges

Amount

Internal Printing and Photocopying

79.30

Total

79.30

Disbursements

Amount

Overtime meals

31.09

Telephone Charges

70.00

Total

USD

101.09

ALLEN & OVERY

Grant Thornton LLP
200 King Street, 11th Floor
M5H 3T4 Toronto
ON
Canada
For the attention of Michael Creber

Allen & Overy LLP
1221 Avenue of the Americas
New York, NY 10020
USA

Tel 212 610 6300
Fax 212 610 6399

Business Registration N° 13-3302093
Tax Point 30 November 2017
Invoice Date 30 November 2017
Due Date 30 December 2017
Tax Invoice 6001028889

Subject Grant Thornton - Toys R Us
Our reference 0122924-0000001/KENC/JOSN
Period Period through 11/29/2017

Charges	USD
Legal Services	19,922.00
Total Charges	19,922.00

AMOUNT DUE	USD
	<u>19,922.00</u>

We kindly request payment of USD 19,922.00 to the following bank account, quoting reference 6001028889 /0122924-0000001. If the details below are different to those you currently hold, please contact our Finance team before making payment.

Citigroup
153 E 53 St
New York, New York 10043
USA

Bank Account: 43233242
SWIFT: CITIUS33
Routing No. 021000089

Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. It is regulated by the Solicitors Regulation Authority of England and Wales. Allen & Overy LLP is a multi-jurisdictional law firm with lawyers admitted to practise in a variety of jurisdictions. A list of the members of Allen & Overy LLP and their professional qualifications is open to inspection at its registered office, One Bishops Square, London, E1 6AD and at the above address. The term partner is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications.

Allen & Overy LLP or an affiliated undertaking has an office in each of: Abu Dhabi, Amsterdam, Antwerp, Bangkok, Barcelona, Beijing, Belfast, Bratislava, Brussels, Bucharest (associated office), Budapest, Casablanca, Doha, Dubai, Düsseldorf, Frankfurt, Hamburg, Hanoi, Ho Chi Minh City, Hong Kong, Istanbul, Jakarta (associated office), Johannesburg, London, Luxembourg, Madrid, Milan, Moscow, Munich, New York, Paris, Perth, Prague, Riyadh (cooperation office), Rome, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tokyo, Warsaw, Washington, D.C. and Yangon.

Grant Thornton LLP
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0122924-0000001

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Tax Invoice 6001028889

New York

Fee Earner Ken Coleman
Grade Snr Partner 0 Specialist

<u>Date</u>	<u>Description</u>	<u>Hours</u>
11/07/2017	Email re claims resolution.	0.20
Total		0.20

Fee Earner Josh Neifeld
Grade Grade 15 Specialist

<u>Date</u>	<u>Description</u>	<u>Hours</u>
11/01/2017	Draft US section to second monitors report and review recent filings	3.30
11/02/2017	Review recent filings and email correspondence concerning same	0.30
11/03/2017	Review recent filings and email correspondence concerning same	0.50
11/06/2017	Review filings and draft US section to monitor report	1.90
11/07/2017	Review recent docket filings and update internal charts regarding same	0.40
11/08/2017	Review recent docket filings	0.10
11/09/2017	Review recent filings and debtors objection to motion for stay relief and email summary regarding same	0.50
11/10/2017	Review recent filings and email correspondence concerning same	0.90
11/13/2017	Review recent filings relating to retention applications and email correspondence concerning same	0.90
11/14/2017	Review recent filings and email correspondence concerning same	0.60
11/15/2017	Review recent docket filings including relief from stay motion, reply in response to objection to UCC local counsel retention motion, motion for procedures to reject or assume contracts, and incentive program motions; email correspondence concerning same	3.20
11/16/2017	Review recent docket filings and email correspondence concerning same; telephonically attend hearing and email summary concerning same	4.60
11/17/2017	Review recent filings and email correspondence concerning same	1.10
11/21/2017	Review recent filings and email correspondence concerning same	0.40
11/22/2017	Prepare US section to Monitor's second report	3.80
11/27/2017	Prepare US section to monitor's second report	1.90
11/28/2017	Review recent filings, including objections to incentive plans, and email correspondence concerning same	2.70
11/29/2017	Review recent docket filings and email correspondence concerning same	0.60
Total		27.70
Total - New York		27.90
Legal Services		27.90

ALLEN & OVERY

CONFIDENTIAL

Grant Thornton LLP
200 King Street, 11th Floor
M5H 3T4 Toronto
ON
Canada
For the attention of Michael Creber

Allen & Overy LLP
1221 Avenue of the Americas
New York, NY 10020
USA

Tel 212 610 6300
Fax 212 610 6399

Business Registration N° 13-3302093
Tax Point 16 November 2017
Invoice Date 16 November 2017
Due Date 16 December 2017
Tax Invoice 6001028621

Subject Grant Thornton - Toys R Us
Our reference 0122924-0000001/KENC/JOSN
Period Period through 10/31/2017

Charges	USD
Legal Services	73,223.50
Other Charges	148.20
Subtotal	73,371.70
Disbursements	
Paid Disbursements	261.97
Subtotal	261.97
Total Charges and Disbursements	73,633.67

AMOUNT DUE	USD	73,633.67
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We kindly request payment of USD 73,633.67 to the following bank account, quoting reference 6001028621 /0122924-0000001. If the details below are different to those you currently hold, please contact our Finance team before making payment.

Citigroup
153 E 53 St
New York, New York 10043
USA

Bank Account: 43233242
SWIFT: CITIUS33
Routing No. 021000089

Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. It is regulated by the Solicitors Regulation Authority of England and Wales. Allen & Overy LLP is a multi-jurisdictional law firm with lawyers admitted to practise in a variety of jurisdictions. A list of the members of Allen & Overy LLP and their professional qualifications is open to inspection at its registered office, One Bishops Square, London, E1 6AD and at the above address. The term partner is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications.

Allen & Overy LLP or an affiliated undertaking has an office in each of: Abu Dhabi, Amsterdam, Antwerp, Bangkok, Barcelona, Beijing, Belfast, Bratislava, Brussels, Bucharest (associated office), Budapest, Casablanca, Doha, Dubai, Düsseldorf, Frankfurt, Hamburg, Hanoi, Ho Chi Minh City, Hong Kong, Istanbul, Jakarta (associated office), Johannesburg, London, Luxembourg, Madrid, Milan, Moscow, Munich, New York, Paris, Perth, Prague, Riyadh (cooperation office), Rome, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tokyo, Warsaw, Washington, D.C. and Yangon.

Grant Thornton LLP
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ALLEN & OVERY

Tax Invoice 6001028621

New York

Fee Earner Ken Coleman
Grade Snr Partner 0 Specialist

<u>Date</u>	<u>Description</u>	<u>Hours</u>
09/18/2017	Conference call with GT and Cassels; review protocol; review 1st day declaration.	3.40
09/19/2017	Review pleadings; emails; dial into hearing,	6.20
10/03/2017	Review chapter 11 pleadings summary; emails re claims transfers and reclamation.	1.50
10/04/2017	Work on report; attention to reclamation claim issue.	1.30
10/06/2017	Review report and notice; conference with J. Neifeld.	0.60
10/17/2017	Conference with J. Neifeld re DIP issues and discovery.	0.40
10/18/2017	Review draft Final DIP order; emails.	1.40
10/19/2017	Work on intercompany DIP issues; conference call with Monitor team; review DIP ICA.	3.90
10/20/2017	Emails re interco loan issues.	0.30
10/22/2017	DIP loan issues; email K&E.	1.10
10/24/2017	Review reply brief; revised orders; attend hearing by phone.	2.20
Total		22.30

Fee Earner Josh Neifeld
Grade Grade 15

<u>Date</u>	<u>Description</u>	<u>Hours</u>
10/01/2017	Draft US section to monitor's first report	3.80
10/02/2017	Draft U.S. Section to monitor's first report	3.70
10/03/2017	Draft edits to monitor's report; review certain first day motions and correspondence with Cassels; review recent objections and other filings in the chapter 11 cases and email summaries regarding same; discuss matter with K. Coleman; draft discussion of reclamation rights and 503(b)(9) priority for use in monitor's report	7.60
10/04/2017	Review recent filings and email correspondence concerning same; draft edits to monitor's report and discuss same with K. Coleman	1.80
10/05/2017	Draft edits to monitor report; review recent filings and email correspondence concerning same; email correspondence with Cassels regarding 503(b)(9)	1.90
10/06/2017	File monitor's report and telephone conversation with Cassels regarding same; discuss filing notice of filing monitor's report in US proceedings with K. Coleman and K. Vellick; draft notice of filing monitors report and edits to cover letter regarding same; review recent filings including motion for relief from stay, joinder to utility objection, and notices of reclamation demand and email correspondence concerning same	2.80
10/07/2017	Review reclamation demand notices and email correspondence concerning same	1.00
10/09/2017	Review recent docket filings concerning depositions and notices of reclamation demands. email correspondence concerning same	2.00
10/10/2017	Review recent filings in chapter 11 cases	0.10
10/11/2017	Review recent docket filings and email correspondence concerning same	0.60
10/12/2017	Review recent notices of reclamation	0.20
10/13/2017	Review recent notices of depositions and other recent filings; email correspondence concerning same	0.80
10/16/2017	Review recent filings including DIP objection and email summary concerning same	1.20
10/17/2017	Review objections made in advance of second day hearing and draft chart summarizing same	2.40
10/17/2017	Attend telephonic hearing regarding depositions and email correspondence concerning same	2.60
Total		32.50

Fee Earner Josh Neifeld
Grade Grade 14

<u>Date</u>	<u>Description</u>	<u>Hours</u>
09/18/2017	Review cross border protocol and compare with other cross border plenary cases; email correspondence concerning same	2.50

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0122924-0000001

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Tax Invoice 6001028621

09/19/2017	Correspondence regarding first day filings; set up telephonic appearance for first day hearing; telephonically attend first day hearing	7.10
09/20/2017	Email correspondence concerning recent filings; discuss matter with K. Coleman	0.20
09/22/2017	Review recent filings and correspondence concerning same	0.70
09/25/2017	Review docket filings	0.10
09/26/2017	Review recent filings and email correspondence concerning same	1.40
09/27/2017	Review recent retention applications and other filings and email correspondence concerning same	1.20
09/29/2017	Review draft monitors report and review recent filings; email correspondence regarding retention of local counsel	1.00

Total 14.20

Fee Earner Katherine Crispi
Grade Grade 13

<u>Date</u>	<u>Description</u>	<u>Hours</u>
10/17/2017	Summarize Vertical Objection to DIP; Summarize Objections to DIP motion [560, 568, 575, 576], listen telephonically to hearing re: motion to expediate and motion to compel depositions [549, 569]	4.80
10/18/2017	Review filings, summarize and update client re: new objections and filings	2.30
10/19/2017	Review orders entered on the docket, comm w/ K. Coleman re: DIP Order questions	5.10
10/23/2017	Monitor Docket, pull, review and summarize docket updates, update objection chart, circulate updates	2.60
10/24/2017	Telephonically attend hearing, update parties	1.90
10/24/2017	Review filings, summarize and circulate new filings.	1.90
10/25/2017	Circulate the rest of the orders entered by the Virginia Bankruptcy court from the 10/24 hearing	0.30
10/26/2017	Review docket filings	0.40
10/27/2017	Pull, review and summarize filings, circulate	0.70

Total 20.00

Fee Earner Katherine Crispi
Grade Grade 12

<u>Date</u>	<u>Description</u>	<u>Hours</u>
09/19/2017	Review docket for key pleadings and orders impacting ability to trade	1.40
09/21/2017	Review and circulate substantive orders entered.	1.40

Total 2.80

Total - New York 91.80

Legal Services 91.80

Grant Thornton LLP
Grant Thornton - Toys R Us
0122924-0000001

ALLEN & OVERY

Tax Invoice 6001028621

Other Charges

Amount

Internal Printing and Photocopying

148.20

Total

148.20

Amount

Total

USD

261.97

This is **Exhibit "B"** referred to in the
affidavit of Ken Coleman
sworn before me in the City
of New York, in the State of New York,
this 22nd day of January, 2018.


.....
SOMERSEL DAWN FRANCE
Notary Public, State of New York
Notary No. 01FR6069782
Qualified in Queens County
Commission Expires Feb. 11, 2018

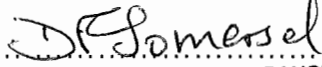
EXHIBIT "B"

**Summary of Invoices of Allen & Overy LLP for the Period September 11, 2017 to
December 31, 2017**

Invoice No./ Period	Fees (USD)	Disbursements (USD)	Total Fees and Disbursements (USD)	Hours Billed	Average Billed Rate (USD)
6001028621 / 09.18.17 to 10.27.17*	73,223.50	410.17	73,633.67	91.80	798
6001028889 / 11.01.17 to 11.29.17	19,922.00	0.00	19,922.00	27.90	714
6001029270 / 11.30.17 to 12.27.17	23,196.50	180.39	23,376.89	30.90	751
Total	116,342.00	590.56	116,932.56	150.60	773

***Invoice #6001028621 has been paid**

This is **Exhibit "C"** referred to in the
affidavit of Ken Coleman
sworn before me in the City
of New York, in the State of New York,
this 22nd day of January, 2018.



Notary Public
SOMERSEL DAWN FRANCE
Notary Public, State of New York
No. 01FR6089782
Qualified in Queens County
Commission Expires Feb. 11, 2018

EXHIBIT "C"

Billing Rates of Allen & Overy LLP

For the period September 11, 2017 to December 31, 2017

Date of Bar Admission	Lawyer	Current Billing Rate¹ (USD)	Fees Billed (USD)	Hours Worked
1982	Ken Coleman	1275	32,130.00	25.20
2015	Josh Neifeld	710	71,142.00	101.40
2016	Katherine Crispi	555	12,930.00	23.60
Paralegal	Kurt Vellek	350	140.00	0.40

¹ Billing rates for A&O associates change in October of each year, due to associate class matriculation. For work performed during September, Josh Neifeld's billing rate was USD 650 and Katie Crispi's billing rate was USD 495.

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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE
Applicant

ONTARIO

**SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding Commenced at Toronto

**AFFIDAVIT OF KEN COLEMAN
SWORN JANUARY 22, 2018**

ALLEN & OVERY LLP

1221 Avenue of the Americas
New York, New York, 10020

Ken Coleman

Tel: 212-610-6434

Fax: 212-610-6399

Email: ken.coleman@allenoverly.com

Josh Neifeld

Tel: 212-610-6415

Fax: 212-610-6399

Email: josh.neifeld@allenoverly.com

U.S. Counsel for the Monitor

APPENDIX 4

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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE

Applicant

FIRST REPORT OF THE MONITOR

OCTOBER 6, 2017



Grant Thornton

Grant Thornton Limited,
Monitor of the Applicant
under the *Companies' Creditors
Arrangement Act*

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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APPENDICES

Appendix 1	Monitor's Pre-Filing Report dated September 19, 2017
Appendix 2	Summary of the principal orders, motions, and other filings made in the Chapter 11 Proceedings during the period from and including the Petition Date to October 5, 2017
Appendix 3	Monitor's counsel's letter to PPSA registrants dated September 28, 2017

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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE

Applicant

FIRST REPORT OF THE MONITOR

October 6, 2017

INTRODUCTION

1. On September 19, 2017, Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee (the "**Applicant**" or "**Toys Canada**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that day, the Court issued an Order (the "**Initial Order**") granting the Applicant's requested relief and appointing Grant Thornton Limited ("**GTL**") as monitor (the "**Monitor**") in the CCAA Proceedings.
2. The Initial Order, among other things, granted a stay of proceedings in favour of Toys Canada until and including October 19, 2017, or such later date as the Court may order (the "**Stay Period**") and authorized Toys Canada to obtain interim financing pursuant to a credit facility (the "**DIP Facility**") from a syndicate of lenders led by JPMorgan Chase Bank, N.A. ("**JP Morgan**", and the lending syndicate, the "**DIP Lenders**").

3. On September 18, 2017, Toys Inc. and certain of its global subsidiaries, including the Applicant and its direct parent company Toys “R” Us-Delaware Inc. (“**Toys Delaware**”) (collectively, the “**Debtors**”) filed voluntary petitions for relief pursuant to title 11, chapter 11 of the United States Code (the “**U.S. Code**”) in the United States Bankruptcy Court for the Eastern District of Virginia (the “**U.S. Court**”) (the “**Chapter 11 Proceedings**”).
4. The affidavit of Melanie Teed-Murch, the President and a director of Toys Canada, sworn on September 19, 2017 (the “**First Teed-Murch Affidavit**”) and filed in connection with the CCAA Proceedings, describes, *inter alia*, the Applicant’s background, including the reasons for the requested CCAA Proceedings.
5. In its capacity as proposed monitor, GTL filed a report with the Court dated September 19, 2017 (the “**Pre-Filing Report**”), which provided information on certain aspects of the Applicant’s requested relief and the proposed Initial Order. A copy of the Pre-Filing Report, without appendices, is attached hereto as **Appendix “1”**.
6. The Initial Order, the endorsement of Justice F.L. Myers released September 19, 2017, the Teed-Murch Affidavit, the Pre-Filing Report, and all other materials filed with the Court in the CCAA Proceedings are accessible on the Monitor’s website at: www.GrantThornton.ca/toysrus (the “**Monitor’s Website**”).

PURPOSE OF THE FIRST REPORT

7. The purpose of this First Report of the Monitor (the “**First Report**”) is to advise the Court with respect to:
 - (a) the Monitor’s activities since its appointment;
 - (b) the Applicant’s operations, communications with stakeholders, and other activities since the issuance of the Initial Order;

- (c) the receipts and disbursements of Toys Canada from September 19, 2017 to September 30, 2017; and
- (d) Toys Canada's motion (the "**Extension Motion**") to seek Orders, *inter alia*:
 - (i) extending the Stay Period to and including January 19, 2018; and
 - (ii) amending and restating the Initial Order to, *inter alia*, enhance the priority of the existing DIP Charge and other Court-ordered Charges.

SCOPE AND TERMS OF REFERENCE

8. In preparing this First Report, the Monitor has relied upon unaudited financial information, the Applicant's records, financial information and projections provided by the Applicant and their financial advisor Alvarez & Marsal Canada ULC ("**A&M Canada**" or "**Financial Advisor**"), and discussions with the Applicant's current management (the "**Management**") and A&M Canada. While the Monitor reviewed various documents provided by the Applicant (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards ("**GAAS**"), Generally Accepted Accounting Principles ("**GAAP**"), or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.
9. Some of the information used in preparing this First Report consists of financial projections, including the Cash Flow Projection (as defined herein). The Monitor cautions that these projections are based upon assumptions about future events and

conditions that are not ascertainable. The Applicant's actual results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions set forth in the Cash Flow Projection contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this First Report did not constitute an audit of such information under Generally Accepted Auditing Standards, GAAP or IFRS.

10. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Applicant, its Management and the Financial Advisor, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, the Monitor has relied upon the information (financial or otherwise) made available to the Monitor by the Applicant, its Management and the Financial Advisor in connection with the preparation of this First Report.
11. This First Report has been prepared for the use of this Court and the Applicant's stakeholders as general information relating to the Applicant and to assist the Court in determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

12. Capitalized terms not defined in this First Report have the meanings ascribed to them in the Affidavit of Melanie Teed-Murch (the "**Second Teed-Murch Affidavit**") sworn October 4, 2017.
13. All references to dollars are in Canadian currency unless otherwise noted.

ACTIVITIES OF THE MONITOR

14. Pursuant to the Initial Order, the following notices have been posted on the Monitor's Website and/or sent to the Applicant's stakeholders since the date of the Initial Order:
 - (a) On September 19, 2017, the Monitor posted a copy of the Pre-Filing Report, the Initial Order, the Endorsement, the Factum of the Applicant, and other application materials filed by the Applicant on the Monitor's Website;
 - (b) On September 20, 2017, the Monitor placed on the Monitor's Website a copy of the Service List as required by the Initial Order which has been updated regularly; and
 - (c) On September 26, 2017, the Monitor mailed a notice of the CCAA Proceedings to every creditor appearing in the Applicant's books and records with a balance owing of greater than \$1,000 as at the date of the Initial Order. This notice was posted on the Monitor's Website on September 25, 2017.
15. On September 25, 2017, to fulfill the requirements of 23(1)(f) of the CCAA, the Monitor filed with the Superintendent of Bankruptcy, the prescribed documents outlined in the CCAA Regulations.

16. Pursuant to the Initial Order, the Monitor placed notices regarding the CCAA Proceedings in *The Globe and Mail* (National Edition) and *Le Devoir* on September 28, 2017 and October 5, 2017.
17. In addition to the above, the Monitor's activities since the date of the Initial Order have included, among other things:
 - (a) corresponding and meeting with the Applicant and its Management, Financial Advisor, and legal counsel;
 - (b) corresponding and meeting with the Monitor's Canadian legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**") and the Monitor's U.S. legal counsel, Allen & Overy LLP;
 - (c) corresponding with the Applicant and the Financial Advisor regarding the DIP Facility and the reporting required thereunder;
 - (d) corresponding regularly with the Applicant and the Financial Advisor regarding payments proposed by the Applicant to be made pursuant to section 7(g) of the Initial Order in respect of pre-filing balances;
 - (e) working with the Applicant and the Financial Advisor to establish a monitoring protocol in respect of the Applicant's receipts and disbursements;
 - (f) reviewing budget to actual reporting of the Applicant's receipts and disbursements;
 - (g) corresponding with certain of the Applicant's unsecured creditors and other stakeholders;

- (h) reviewing materials filed with the Court in respect of the CCAA Proceedings and the Chapter 11 Proceedings;
- (i) maintaining the Monitor's Website as required;
- (j) establishing and maintaining a toll-free telephone number and dedicated email address for contacting the Monitor in respect of the CCAA Proceedings;
- (k) answering stakeholders questions regarding these proceedings. The Monitor notes that while there has been a typical volume of correspondence and inquiries from customers and suppliers regarding this matter, there has been fewer inquiries than is typical from landlords and employees, each of which are significant stakeholder groups in these proceedings. This is likely to be on account of the Applicant's organized and robust communications strategy that it executed at the commencement of these proceedings and because there were no immediate or planned store closures or staffing changes announced or implemented by the Applicant; and
- (l) preparing this First Report.

ACTIVITIES OF THE APPLICANT

18. Since the date of the Initial Order, the Applicant's activities have included, among other things:
- (a) communicating with various stakeholders and creditors regarding the CCAA Proceedings, in consultation with the Monitor and the Financial Advisor;
 - (b) corresponding with its legal counsel, the Monitor, and the Financial Advisor;

- (c) making payments to vendors as contemplated by the Pre-Filing Cash Flow Projection (as defined herein) filed with the Applicant's application materials in support of the Initial Order;
 - (d) working with suppliers to regularize supply going forward;
 - (e) closing the DIP Financing (as defined herein);
 - (f) ongoing communications with certain creditors and/or their advisors;
 - (g) working with the Monitor to establish a monitoring protocol in respect of the Applicant's receipts and disbursements;
 - (h) reporting to the Monitor on a weekly basis in respect of the Applicant's receipts and disbursements;
 - (i) working with the Financial Advisor in preparing the Cash Flow Projection (as defined herein) to January 20, 2018; and
 - (j) executing a communications plan in respect of the CCAA filing that included tailored communications to employees, vendors, customers and landlords.
19. The Applicant, the Financial Advisor and the Monitor continue to work collaboratively to expeditiously finalize the monitoring protocols that will be put in place in respect of gift cards and customer loyalty programs, purchase orders, post-filing obligations, DIP reporting and landlord-related issues.

THE DIP ADVANCE

20. The Initial Order permitted Toys Canada to obtain a US\$200 million term loan (the **"Canadian DIP Term Loan"**) and a revolving credit facility of up to US\$300 million

(subject to availability under the Canadian borrowing base) (the “**Canadian DIP Revolving Facility**” and with the Canadian DIP Term Loan, the “**Canadian DIP Facility**”).

21. As at October 4, 2017, Toys Canada owed US\$200 million under the Canadian DIP Term Loan and has drawn approximately CDN\$35 million under the Canadian DIP Revolving Facility. The Canadian DIP Term Loan and a portion of the Canadian DIP Revolving Facility were used to fully repay the Applicant’s obligation under the existing Canadian ABL Credit Facility and to obtain additional liquidity for the operation of the business.

THE DIP SECURITY

22. As noted in the Pre-Filing Report, prior to Initial Order, the Proposed Monitor had been verbally advised by its counsel that with respect to the security granted by the Applicant in respect of the pre-filing Canadian ABL Credit Facility, subject to standard qualifications and assumptions typically contained in security opinions,

- (a) the personal property security granted in favour of the Canadian agent under the Canadian ABL Credit Facility is valid and enforceable and creates valid security interests in the personal property of the Applicant secured thereby; provided that,
 - (i) such personal property excludes a segregated demand deposit account designated by Toys Delaware as the “uncontrolled cash account” and any and all deposits and cash in such account (which deposits and cash may not exceed US\$25,000,000), and the Proposed Monitor has been advised that no such account exists and
 - (ii) the security interest granted in favour of the Canadian Agent over trademarks (and certain other intellectual property) is limited to the

non-exclusive right to use such trademarks and other intellectual property in exercising the Canadian Agent's rights in connection with a liquidation; and

(b) the mortgages granted in favour of the Canadian agent under the Canadian ABL Credit Facility are valid and enforceable and create a good and valid fixed charge of the interest of the Applicant in the real property secured thereby.

23. Following the granting of the Initial Order, Cassels (with respect to the laws of Ontario, Saskatchewan, Alberta, and British Columbia), along with independent counsel qualified to provide an opinion with respect to the laws of each of Manitoba and Quebec have provided a written security opinion to the Monitor, dated September 20, 2017 confirming the above. The Applicant does not hold real property in any other jurisdiction.
24. The Monitor notes that the security review indicated that the Royal Bank of Canada had registered certain mortgages (the "**RBC Mortgages**") against the real property owned by the Applicant in Barrie, Ontario in 1987 (prior to the registration of the charge in connection with the Canadian ABL Credit Facility). The Monitor has been advised by the Applicant that the RBC Mortgages have inadvertently not been discharged and that it is in the process of arranging for a discharge of the same. In any event, RBC has been served with the Applicant's Extension Motion.
25. The Monitor also understands that Stewart, Green Land Co. Ltd. ("**Stewart Green**") has registered a Right of First Opportunity Agreement against certain of the Applicant's real property located at 3940 Gateway Boulevard, Edmonton, Alberta. Counsel to the Applicant has advised the Monitor that corporate searches show Stewart Green is inactive and therefore has not been served with the Extension Motion.

SUPPLIER UPDATE

26. Since the commencement of the CCAA Proceedings, a primary focus of the Applicant has been to ensure the uninterrupted supply of goods and services in the critical period leading up to the holiday shopping season, in which the Applicant typically earns approximately 40% of its annual revenue (or approximately \$400 million of \$1 billion of in annual sales).
27. The Applicant has been successful in reaching go-forward trade terms with the majority of its suppliers.
28. Paragraph 7(g) of the Initial Order permitted the Applicant, with the consent of the Monitor and subject to the DIP Definitive Documents, to pay amounts owing for goods or services supplied to the Applicant prior to the date of the Initial Order by:
- (i) logistics or supply chain providers, including transportation providers, customs brokers and freight forwarders, fuel providers, repair, maintenance and parts providers, warehouse providers and security and armoured truck carriers, and including amounts payable in respect of customs and duties for goods;
 - (ii) providers of information, internet and other technology, including ecommerce providers and related services;
 - (iii) providers of credit, debit, gift card or other payment processing and related services; and
 - (iv) other third party suppliers if, in the opinion of the Applicant following consultation with the Monitor, such payment is necessary to maintain the uninterrupted operations of the Business.

29. In paragraph 9 of Justice Myers' endorsement dated September 20, 2017 (the "**Endorsement**"), His Honour noted that payments made pursuant to paragraph 7(g) of the Initial Order should be approved by the Monitor and that the decision to allow such payments should be guided by the following criteria drawn from the discussion of Morawetz J. in *Re: Cinram International Inc.*, 2012 ONSC 3767:

- (a) Are the goods and services integral to the business?
- (b) Is pre-filing payment required for the uninterrupted supply of the goods or services?
- (c) Has Monitor approval been sought prior to payment of pre-filing amount?
- (d) Are the payments in respect of pre-filing liabilities appropriate?
- (e) Does TRU have sufficient inventory of the goods on hand to meet their needs?
- (f) Will TRU's ongoing operations and ability to restructure be impaired if it is unable to make pre-filing payments and obtain the supply in question?

30. After the issuance of the Initial Order, the Monitor held several meetings with the Management of the Applicant and the Financial Advisor to determine a protocol and the documentation required for a payment to be approved by the Monitor pursuant to paragraph 7(g) of the Initial Order. From those meetings the Monitor understands that the Applicant:

- (a) has a business that is closely integrated and reliant on certain external service providers for logistics, transportation, IT services, transaction processing, e-commerce order processing and marketing and advertising;

- (b) given its large size and complex operations, cannot practically or cost-effectively replace certain suppliers and service providers given the resources and scale required to service the Applicant's national operations;
- (c) has a growing e-commerce business which is integrated with a small number of key external partners;
- (d) has been able to negotiate favourable trade terms with a number of suppliers during the pre-filing period, which it believes will be key to its financial success going-forward;
- (e) has implemented marketing strategies for the holiday season that are dependent on the Applicant possessing adequate stock of key inventory that is or will be featured in such marketing initiatives; and
- (f) has negotiated to carry unique and/or exclusive product which cannot be sourced from alternate suppliers in time for the holiday season.

31. The Applicant, in consultation with the Financial Advisor and the Monitor, has identified certain suppliers that the Applicant believes require payments pursuant paragraph 7(g) of the Initial Order and has made such determination by:

- (a) applying the criteria set out in the Endorsement;
- (b) identifying only the most critical suppliers in each product or service category where an interruption of supply would: i) have the potential for a material negative impact on revenues; and/or ii) result in a material increase to an expense, in each case ensuring that the potential negative impact on the organization would be disproportionately high compared to the proposed payment for pre-filing supply;

(c) requiring the supplier to provide favourable credit terms as a condition to a payment being made under the provision of the Initial Order; and

(d) completing an approval request form for consideration by the Monitor only in cases where it believed the above criteria were met.

32. The Monitor has met daily with the Applicant and the Financial Advisor to review and discuss the Applicant's discussions, correspondence and analysis related to these matters, and has approved payments to certain of the Applicant's vendors and service providers pursuant to paragraph 7(g) of the Initial Order consistent with the criteria specified above.

33. The Monitor, with the support of the Applicant, will provide further information as requested by the Court subject to appropriate confidentiality protections.

UPDATE ON US CHAPTER 11 PROCEEDINGS

34. The Debtors commenced the Chapter 11 Proceedings on September 18, 2017 (the "**Petition Date**"), the day before the CCAA Proceedings commenced. U.S. Bankruptcy Court Judge Keith L. Phillips presides over the Chapter 11 Proceedings.

35. A summary of the principal orders, motions, and other filings made during the period from and including the Petition Date to October 5, 2017 is attached hereto as **Appendix "2"**. As noted in Appendix 2, a number of creditors have filed Reclamation Demands against certain of the Debtors, including Toys Canada¹. The Monitor understands that the Applicant and its legal counsel have been reviewing and responding to these

¹ The Monitor has been advised by its U.S. counsel that pursuant to section 546(c) of the Bankruptcy Code a seller may reclaim goods sold to a debtor in the ordinary course of business within 45 days of the commencement of the case, subject to the rights of a holder of a prior security interest in such goods. The Bankruptcy Code provides that to reclaim the goods the seller must make a written demand to reclaim the goods no later than 45 days after the debtor's receipt of the goods, or 20 days after the commencement of the case if the 45 day period expires after the commencement date.

demands in the normal course and does not intend to comply with such demands, including because the DIP Charge granted pursuant to the Initial Order ranks in priority to such claims.

PRIORITY OF COURT-ORDERED CHARGES AND AMENDED AND RESTATED INITIAL ORDER

36. The Amended and Restated Initial Order requested by the Applicant provides for certain amendments to the Initial Order, including enhanced priority for the DIP Charge (and other Court-ordered Charges) and other amendments. A blackline comparison showing the proposed amendments to the Initial Order is included in the Applicant's motion record.
37. In the Initial Order, the Court granted the Administration Charge, the Directors' Charge and the DIP Charge (with priority in that order) over the assets, property and undertaking of the Applicant. Under the terms of the Initial Order, the Charges rank in priority to all Encumbrances (as defined in the Initial Order) in favour of any person other than (a) any validly perfected security interest under a PPSA held by a person that was not served with notice of the Application, and (b) statutory super-priority deemed trusts and liens for unpaid employee source deductions. The Initial Order authorized the Applicant, on a subsequent motion on notice to those persons likely to be affected, to seek enhanced priority for the Charges.
38. The proposed Amended and Restated Initial Order provides for the Charges to rank in priority to all Encumbrances, including any validly perfected PPSA registrations and statutory super-priority deemed trusts and liens for unpaid employee source deductions. A limited number of parties have PPSA registrations in respect of claimed security interests, primarily relating to leased assets. Specifically, the Monitor has been advised

by its counsel that the current PPSA Registrations that will be primed are: (i) Xerox Canada Ltd.; (ii) Wells Fargo Equipment Finance Company; (iii) GE VFS Canada Limited Partnership; (iv) Arpac Storage Systems Corporation; (v) Messageries A.D.P. Inc. Each person with a PPSA registration was notified by counsel to the Monitor of the Comeback hearing on September 28, 2017 and were served with the motion materials by the Applicant on or about October 4, 2017. The Monitor understands that the Applicant is current on the payment and remittance of employee source deductions. As noted in the Initial Affidavit, the Applicant does not sponsor any registered pension plans.

39. The DIP Agreement provides that availability under the Canadian DIP Revolving Facility is conditional on the Initial Order being amended at the comeback motion to provide for the DIP Charge to rank in priority to all Encumbrances other than the Administration Charge and the Directors' Charge, and counsel to the DIP Lenders have confirmed that the DIP Lenders require the DIP Charge to have that priority. The priority of the DIP Charge was negotiated in the context of a significant commitment of new financing by the DIP Lenders at the outset of these proceedings.
40. In addition, the proposed priority of the Administration Charge and the Directors' Charge (which would rank in priority to the DIP Charge and all other Encumbrances) is contemplated by the DIP Agreement and is necessary to avoid a stratification of the various Charges as amongst the Applicant's assets.
41. The Applicant has provided notice to those parties who may be affected by the enhanced priority of the Charges in the Amended and Restated Initial Order.
42. In addition, counsel to the Monitor delivered a letter to the service list on September 28, 2017, providing notice that the Applicant had scheduled a hearing before the Court on

October 11, 2017 to seek, among other things, an extension of the stay of proceedings. The letter also indicated that the Monitor was advised by the Court that the October 11, 2017 hearing would constitute the “Comeback Date” as contemplated by paragraph 59 of the Initial Order. The letter was delivered to representatives or counsel of the Canada Revenue Agency (the “CRA”), each provincial taxing authority, and each person with a registered security interest in the Applicant’s property pursuant to the Personal Property Security Act (Ontario) or other applicable provincial legislation (a “PPSA”). A copy of the Monitor’s letter is attached hereto as **Appendix “3”**.

PERFORMANCE COMPARED TO PRE-FILING CASH FLOW

43. In accordance with the Initial Order, the Monitor has reviewed the Applicant’s receipts and disbursements since the date of the Initial Order.
44. The Applicant has remained current in respect of its obligations that have arisen since the issuance of the Initial Order.
45. A comparison of the Applicant’s receipts and disbursements compared to the Pre-Filing Cash Flow Projection is presented in the following table for the period September 19, 2017 to September 30, 2017 (the “**Reporting Period**”):

Toys "R" Us (Canada) Ltd.**Schedule of actual to budget cash flow variances****(Unaudited)****(In \$'000 CAD)**

Cumulative Two-Weeks Ended September 30, 2017			
	Budget	Actual	Variance
Receipts	28,171	31,975	3,803
Disbursements			
Merchandise vendors	31,539	6,734	24,805
Non-merchandise vendors	6,241	6,426	(184)
Rent	5,474	5,810	(336)
Payroll	3,567	3,553	14
Capital expenditures	787	458	330
Tax	4,900	4,958	(58)
Total Disbursements	52,510	27,939	24,571
Operating Net Cash Flow	(24,338)	4,036	28,374
Professional fees	1,204	91	1,113
Repayment of Pre-Filing debt	246,474	249,492	(3,019)
DIP Fees & Interest	20,738	17,755	2,983
Total Restructuring Disbursements	268,416	267,338	1,077
Net Cash Flow	(292,754)	(263,303)	29,451
Beginning Cash	3,291	7,269	3,978
Net Cash Flow	(292,754)	(263,303)	29,451
DIP Draw / (Repayment)	294,463	280,664	(13,799)
Ending Cash	5,000	24,630	19,630

During the Reporting Period, the Applicant experienced the following:

- (a) total receipts were approximately \$3.8 million greater than projected due to better than anticipated sales performance;
- (b) total disbursements were approximately \$25.6 million less than projected, which the Applicant advises is largely a timing difference as a result of engaging with suppliers and implementing post-filing supply terms. The Applicant has been

successful in negotiating post-filing trade terms with the majority of its suppliers. Discussions remain ongoing with certain suppliers in that regard; and

- (c) the beginning cash balance was approximately \$4.0 million greater than projected, which the Applicant advises is primarily due to better than anticipated sales performance during the period preceding the commencement of the CCAA Proceedings.

- 46. During the Reporting Period, the Applicant experienced a positive net cash flow variance of approximately \$29.5 million relative to forecast.
- 47. The closing cash balance as at September 30, 2017 was approximately \$24.6 million, as compared to the projected cash balance of \$5.0 million. This variance was due to the positive net cash flow variances described above and may reverse in future weeks.

CASH FLOW PROJECTION

- 48. The Applicant has prepared a revised cash flow projection, on a weekly basis, from October 2, 2017 to January 20, 2018 (the “**Cash Flow Period**”) (the “**Cash Flow Projection**”). The Cash Flow Projection is attached to the Second Teed-Murch Affidavit as Exhibit B. The Cash Flow Projection has been prepared by Management using probable and hypothetical assumptions set out therein (the “**Probable and Hypothetical Assumptions**”).
- 49. The Monitor has reviewed the Cash Flow Projection to the standard required of a Court-appointed Monitor by s. 23(1)(b) of the CCAA. The Monitor’s review of the Cash Flow Projection consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by management and employees of the Applicant and the Financial Advisor. Since the Probable and Hypothetical Assumptions need not be

supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

- (a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Projection;
- (b) as at the date of this First Report, the Probable and Hypothetical Assumptions developed by management are not suitably supported and consistent with the Applicant's plans or do not provide a reasonable basis for the Cash Flow Projection, given the Probable and Hypothetical Assumptions; or
- (c) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.

50. The Monitor notes the following with respect to the Cash Flow Projection:

- (a) Total receipts are projected to be approximately \$467.5 million during the Cash Flow Period; and
- (b) Total operating disbursements are projected to be approximately \$486.7 million, including \$350.1 million (or approximately 72%) related to merchandise purchases for the holiday season.

51. The Applicant is projecting a net cash outflow of \$29.3 million during the projection period. During the Cash Flow Period, which corresponds with the holiday shopping season, the Applicant is projecting positive EBITDA (earnings before interest tax

depreciation and amortization) of approximately \$60 million to \$70 million. During this period, the Applicant's cash flow forecast projects operating net cash outflow of \$19.2 million. The difference between the two primarily relates to: (a) capital expenditures of approximately \$4.5 million, including costs associated with the construction and opening of the new Toys Canada location in Barrie, Ontario; (b) conservative working capital assumptions, including an adjustment of approximately \$55 million due to accelerated payment terms to certain vendors; and (c) other cash flow differences. Absent these items, the Applicant is projecting positive operating and cash flow results consistent with its historically strong results during the holiday shopping season.

CONCLUSION AND RECOMMENDATION

52. The Initial Order granted a stay of proceedings against the Applicant up to and including October 19, 2017. The Applicant seeks an extension of the stay period to and including January 19, 2018.
53. Since the commencement of the CCAA Proceedings, Toys Canada, the Financial Advisor, the Monitor and their respective legal counsel have focused on maintaining the stability of the Canadian Business, communicating with stakeholders, and addressing matters relating to the initiation of the CCAA Proceedings. The Applicant is now completing its seasonal inventory build and will turn to focus on operating the business during the holiday season in which it generates approximately 40% of its annual revenue.
54. Management has continued to operate the business in the normal course subject to the limitations imposed by the effects of the CCAA proceeding. The Monitor also understands that the Applicant is in the early stages of exploring restructuring options and alternatives in collaboration with the larger Toys "R" Us group. In the Monitor's

view, the Applicant has acted in accordance with the Initial Order. Accordingly, the Monitor is satisfied that: (i) the Applicant has sufficient funds (as demonstrated in the Cash Flow Projection) to continue operations and the CCAA Proceedings until January 19, 2018; (ii) Management and the Applicant are acting in good faith and with due diligence; and (iii) no stakeholder of Toys Canada will suffer material prejudice if the Stay Period is extended as requested by the Applicant.

55. The Monitor supports the relief sought by the Applicant on this motion and is of the view that the granting of the Amended and Restated Initial Order and the Stay Extension Order is appropriate in the circumstances and in the best interests of Toys Canada and its stakeholders.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 6th day of October, 2017.

**GRANT THORNTON LIMITED,
SOLELY IN ITS ROLE AS COURT-APPOINTED
MONITOR OF THE APPLICANT, AND NOT IN
ITS PERSONAL OR CORPORATE CAPACITY**

Per: 

Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX 5

**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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Applicant

SECOND REPORT OF THE MONITOR

DECEMBER 7, 2017



Grant Thornton

**Grant Thornton Limited,
Monitor of the Applicant
under the *Companies' Creditors
Arrangement Act***

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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APPENDICES

Appendix 1

Update on U.S. Chapter 11 Proceedings

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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE

Applicant

SECOND REPORT OF THE MONITOR

DECEMBER 7, 2017

INTRODUCTION

1. On September 19, 2017, Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee (the "**Applicant**" or "**Toys Canada**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that day, the Court issued an Order (as amended and restated, the "**Initial Order**") granting the Applicant's requested relief and appointing Grant Thornton Limited as monitor (the "**Monitor**") in the CCAA Proceedings.
2. The Initial Order, among other things, granted a stay of proceedings in favour of Toys Canada until and including October 19, 2017, or such later date as the Court may order (the "**Stay Period**") and authorized Toys Canada to obtain interim financing pursuant to an interim financing credit facility (the "**DIP Facility**") from a group of lenders led by

JPMorgan Chase Bank, N.A. (collectively, the “**DIP Lenders**”). On October 11, 2017, the Court made a further order extending the Stay Period to January 19, 2018.

3. On September 18, 2017, Toys “R” Us Inc. (“**Toys Inc.**”), certain of its U.S. subsidiaries and Toys Canada (collectively, the “**Debtors**”) filed voluntary petitions for relief pursuant to Title 11, Chapter 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Virginia (the “**U.S. Court**”) (the “**Chapter 11 Proceedings**”).
4. On December 4, 2017, Toys “R” Us Limited (“**Toys UK**”), an indirect subsidiary of Toys Inc. that carries on business in the United Kingdom (the “**UK**”), initiated a company voluntary arrangement (the “**CVA**”) under Part 1 of the UK *Insolvency Act 1986*. Under the CVA process, Toys UK has submitted an operational restructuring plan to its creditors to reposition its real estate portfolio commencing in 2018. Toys UK will seek creditor and shareholder approval of the CVA at meetings scheduled for December 21, 2017.
5. The affidavit of Melanie Teed-Murch, the President and a director of Toys Canada, sworn on September 19, 2017 and filed in connection with the CCAA Proceedings, describes, *inter alia*, the Applicant’s background, including the reasons for the requested CCAA Proceedings.
6. On December 6, 2017, Ms. Teed-Murch swore a further affidavit (the “**Third Teed-Murch Affidavit**”) in support of the Applicant’s motion returnable December 11, 2017.
7. Materials with respect to the CCAA Proceedings, including motion materials, Monitor’s reports and the Orders and endorsements issued by the Court, are accessible on the Monitor’s website at: www.GrantThornton.ca/toysrus (the “**Monitor’s Website**”).

PURPOSE OF THE SECOND REPORT

8. The purpose of this Second Report of the Monitor (the “**Second Report**”) is to advise the Court with respect to:

- (a) the Monitor’s activities since October 6, 2017, the date of the Monitor’s first report to Court (the “**First Report**”);
- (b) the Applicant’s operations, communications with stakeholders, and other activities conducted since the date of the First Report;
- (c) the Chapter 11 Proceedings; and
- (d) Toys Canada’s motion to seek an Order:
 - i. approving Toys Canada’s existing Team Achievement Dividend incentive program as it relates to the Applicant (the “**TAD Program**”), as modified to address the circumstances of the Applicant’s restructuring process;
 - ii. approving the key employee retention plan (the “**KERP**”) developed by the Applicant in respect of 12 key employees that are critical to its business and restructuring efforts; and
 - iii. sealing the confidential supplement (the “**Confidential Supplement**”) containing confidential personal compensation information relating to the TAD Program and the KERP (collectively, the “**Canadian Compensation Programs**”).

SCOPE AND TERMS OF REFERENCE

9. In preparing this Second Report, the Monitor has relied upon unaudited financial information provided by the Applicant, the Applicant’s records, financial information and projections provided by the Applicant’s financial advisor, Alvarez & Marsal Canada ULC

(the “**Financial Advisor**”), and discussions with the Applicant’s senior management (the “**Management**”), including Melanie Teed-Murch (President). While the Monitor reviewed various documents provided by the Applicant (including, among other things, unaudited internal financial statements and financial projections) and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Assurance Standards (“**GAAS**”), Generally Accepted Accounting Principles (“**GAAP**”), or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAS, GAAP or IFRS with respect to such information.

10. Some of the information used in preparing this Second Report consists of financial projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Applicant’s actual results may vary from the cash flow projections, even if the hypothetical and probable assumptions set forth therein materialize, and the variations could be significant. The Monitor’s review of the future oriented information used to prepare this Second Report did not constitute an audit of such information under Generally Accepted Auditing Standards, GAAP or IFRS.
11. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Applicant and the Financial Advisor within the context in which such information was presented. To date, nothing has come to the Monitor’s attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor’s

specific inquiries. Accordingly, the Monitor has relied upon the information (financial or otherwise) made available to the Monitor by the Financial Advisor, the Applicant and its Management in connection with the preparation of this Second Report.

12. This Second Report has been prepared for the use of this Court and the Applicant's stakeholders as general information relating to the Applicant and to assist the Court in determining whether to grant the relief sought by the Applicant. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.
13. Capitalized terms not defined in this Second Report have the meanings ascribed to them in the Third Teed-Murch Affidavit.
14. All references to dollars are in Canadian currency unless otherwise noted.

ACTIVITIES OF THE MONITOR

15. The Monitor's activities since the date of the First Report have included, among other things:
 - (a) corresponding and meeting with the Applicant and its Management, Financial Advisor, and legal counsel;
 - (b) corresponding and meeting with the Monitor's legal counsel, Cassels Brock & Blackwell LLP ("**Cassels Brock**") and its US legal counsel, Allen & Overy LLP;
 - (c) corresponding with the Applicant and the Financial Advisor regarding the DIP Facility and the reporting required thereunder;

- (d) attending on a weekly basis a conference call that includes representatives of, among others, the Debtors (including the Applicant), the Financial Advisor and the DIP Lenders, the purpose of which is for the DIP Lenders to be provided with an update on the restructuring proceedings and operations, and to ask questions of the Debtors in respect of same;
- (e) reviewing reporting provided by the Applicant to the DIP Lenders;
- (f) corresponding regularly with the Applicant and the Financial Advisor regarding payments proposed by the Applicant to be made pursuant to section 7(g) of the Initial Order in respect of pre-filing balances;
- (g) reviewing budget to actual reporting of the Applicant's receipts and disbursements;
- (h) corresponding with certain of the Applicant's creditors, landlords and other stakeholders and assisting in facilitating payment arrangements with certain creditors;
- (i) reviewing court materials filed in respect of the CCAA Proceedings and the Chapter 11 Proceedings;
- (j) maintaining the Monitor's Website as required;
- (k) maintaining a toll-free telephone number and dedicated email address for contacting the Monitor in respect of the CCAA Proceedings;
- (l) answering stakeholders questions regarding these proceedings;

- (m) reviewing information provided by the Applicant in respect of the KERP and the TAD Program and meeting with the Applicant and the Financial Advisor in respect of same;
- (n) attending at Court for the motion to extend the initial Stay Period; and
- (o) preparing this Second Report.

ACTIVITIES OF THE APPLICANT

16. Since the date of the First Report, the Applicant's activities have included, among other things:
- (a) communicating with various stakeholders and their advisors regarding the CCAA Proceedings, in consultation with the Monitor and the Financial Advisor;
 - (b) making payments to vendors as contemplated by the cash flow projection filed with the materials that supported the request for extension of the Stay Period to January 19, 2018 and consistent with the DIP Facility budget;
 - (c) corresponding regularly with suppliers, the Monitor and the Financial Advisor regarding payments proposed to be made pursuant to section 7(g) of the Initial Order in respect of pre-filing balances;
 - (d) working with suppliers to negotiate continuing trade terms;
 - (e) working with the Monitor to establish and implement a monitoring protocol in respect of the Applicant's receipts and disbursements;
 - (f) reporting to the Monitor on a weekly basis in respect of the Applicant's receipts and disbursements;

- (g) developing the KERP and modifications to the TAD Program in consultation with the other Debtors and their respective legal and financial advisors;
 - (h) having discussions with certain landlords; and
 - (i) working with the other Debtors and their collective advisors with respect to the Chapter 11 Proceedings.
17. The Applicant, the Financial Advisor and the Monitor have established and implemented monitoring protocols in respect of gift cards and customer loyalty programs, post-filing obligations, DIP reporting and landlord-related issues.

SUPPLIER UPDATE

18. Since the commencement of the CCAA Proceedings, a primary focus of the Applicant has been to ensure the uninterrupted supply of goods and services in the critical period leading up to the holiday shopping season, in which the Applicant typically earns approximately 40% of its annual revenue (or approximately \$400 million out of \$1 billion of historical annual sales).
19. The Applicant has been successful in reaching post-filing trade terms with the majority of its suppliers, including its key merchandise vendors. Merchandise deliveries have continued through the CCAA Proceedings and Management advises that it is satisfied with its overall inventory levels and merchandising mix at this stage of the holiday shopping season.
20. Paragraph 7 of the Initial Order permits the Applicant, with the consent of the Monitor and subject to the DIP Definitive Documents, to pay certain amounts owing for goods or services supplied to the Applicant prior to the date of the Initial Order.

21. In paragraph 9 of Justice Myers' endorsement dated September 20, 2017 (the "**Endorsement**"), His Honour noted that the decision as to whether pre-filing amounts should be paid pursuant to paragraph 7(g) of the Initial Order should be guided by the criteria set out in the reasons of Morawetz J. in *Re Cinram International Inc.*, 2012 ONSC 3767.
22. As discussed in the First Report, the Monitor held several meetings with the Management of the Applicant and the Financial Advisor to determine a protocol and the documentation required for a payment to be approved by the Monitor pursuant to paragraph 7(g) of the Initial Order. Based on the information provided by the Applicant and Financial Advisor to the Monitor, the Monitor is of the view that the criteria set out in the Endorsement and the *Cinram* factors have been applied. The Monitor will provide a more detailed update to the Court if requested on a confidential basis.

UPDATE ON US CHAPTER 11 PROCEEDINGS

23. As noted, the Debtors commenced the Chapter 11 Proceedings on September 18, 2017, the day before the CCAA Proceedings were commenced. U.S. Bankruptcy Court Judge Keith L. Phillips presides over the Chapter 11 Proceedings. A summary of the principal orders, motions, and other filings made during the period from and including the Petition Date to October 3, 2017 was provided in the First Report.
24. A summary of certain additional orders, motions and other filings since the date of the First Report is provided in **Appendix "1"** hereto. Of note, as described in Appendix "1" the Debtors' have filed a claims bar motion (the "**U.S. Claims Bar Motion**"), currently scheduled to be heard December 19, 2017 in the Chapter 11 Proceedings. The U.S. Claims Bar Motion does not apply to the Applicant, except with respect to limited matters relating to notice and coordination amongst the Debtors and the Monitor. The Monitor

understands that the Applicant intends to return to this Court early in 2018 to seek approval of a claims procedure as well.

25. Along with the matters described in Appendix “1”, on November 15, 2017, the Debtors filed two motions which are specifically related to the Applicant’s motion before this Court for approval of the TAD Program and the KERP: (i) a motion seeking authorization to provide incentive payments to 17 members of the Debtors’ senior executive team (the “**SEIP Participants**”) to the extent they are able to achieve certain targets; and (ii) a motion seeking approval of a non-insider compensation program (the “**Non-Insider Compensation Program**”, and together with the SEIP, the “**U.S. Compensation Plans**”), which would provide incentive payments to certain non-insider employees of the Debtors (“**Non-Insider Employees**”) to the extent they are able to achieve certain targets. Those motions provided that neither the SEIP nor the Non-Insider Compensation Program would apply to the Applicant and that the Applicant may seek similar relief in proceedings before this Court. As discussed in further detail below and in the Third Teed-Murch Affidavit, the Debtors agreed to make certain amendments to the terms of the U.S. Compensation Plans following negotiations with certain key U.S. stakeholders.
26. On November 29, 2017, the United States Trustee (the “**UST**”) overseeing the case filed objections to each of the Compensation Plan Motions. By its objections, the UST generally asserted that the Debtors had not demonstrated that the respective Compensation Plans meet the requirements of section 503(c) of the Bankruptcy Code. The motions were heard on December 5, 2017, at which time the U.S. Court approved the SEIP and the Non-Insider Compensation Program motions, overruling the UST’s

objections and finding that the U.S. Compensation Plans were incentive plans that were made in the Debtors' sound business judgment and were fair and reasonable.

TOYS CANADA KERP AND TAD PROGRAM

27. As described in detail in the Third Teed-Murch Affidavit, the Toys "R" Us group is seeking authorization in the Chapter 11 and CCAA Proceedings, as applicable, to i) modify elements of its existing short-term incentive programs, and ii) implement certain targeted retention and incentive programs. These programs are aimed at ensuring that Toys Canada has a committed and motivated workforce during the restructuring process, in particular as it completes the critical holiday retail period.
28. Employees of Toys Canada are not participants in the Non-Insider Compensation Program or the SEIP.¹ The U.S. Court orders approving these programs provide that the orders do not apply to Toys Canada and that Toys Canada is permitted to maintain, implement and perform such compensation programs as may be authorized or permitted in the CCAA Proceedings.
29. Detailed information concerning the background of the Applicant's existing TAD Program, modifications to the TAD Program and the development and need for the KERP is provided in the Third Teed-Murch Affidavit and is not repeated in this Second Report. The Monitor has held discussions with the Applicant, Ms. Teed-Murch and the Financial Advisor regarding the modified TAD Program and the proposed KERP. The Monitor makes the following comments and observations regarding these programs:

TAD Program

- (a) The three material modifications to the TAD Program are to (i) transition the

¹ Robert Zarra, who is the Company's U.S.-based Vice-President and International Controller and a director and officer of certain Debtors, including Toys Canada, is a participant under the SEIP.

payment and performance periods from an annual to a quarterly basis, (ii) adjust the EBITDA and other performance thresholds to account for the Applicant's current circumstances, (iii) increase the potential incentive payments for seven senior employees of Toys Canada to compensate such employees for the discontinuance of other long-term incentive programs in which they have historically participated. However, to ensure the TAD Program participants are not adversely impacted by the transition of payment and performance periods from an annual to a quarterly basis, as a one-time allowance for the fourth quarter of 2017, each participant will be entitled to receive as an incentive payment the greater of (i) the annual payment to which such participant would be entitled pursuant to the terms of the existing TAD Program (using existing criteria), and (ii) the Q4 2017 payment to which such participant is entitled pursuant to the terms of the modified TAD Program.

- (b) Certain payments under the TAD Program to the seven senior employees of Toys Canada whose Target Payout is being increased as a result of the discontinuance of long-term incentive programs will be held back, pro rata on a quarterly basis, and paid upon the effectiveness of a plan of reorganization in respect of the Company (without reference to the achievement of a particular performance level).
- (c) The TAD Program will include a "catch-up" provision in which participants will earn bonus payments for prior periods at the end of Q3 2018 if the applicable performance thresholds are satisfied on a cumulative basis for Q1-Q3 2018.
- (d) The Monitor has reviewed the performance targets under the modified TAD Program for 2017 in the context of the Applicant's historical and current year to date results and such targets appear to be reasonable in the circumstances.

Quarterly targets for 2018 will be established by the Applicant and the other Debtors in advance of the start of each quarter, in consultation with the Monitor, taking into account recent operating results and market conditions.

- (e) The Monitor understands that the terms of the Company's compensation programs were reviewed with certain key U.S. stakeholders and that certain modifications were made to the U.S. Compensation Plans as a result of those discussions. As the Applicant's TAD Program has the same structure as the Debtors' Non-Insider Compensation Program, certain modifications to the Non-Insider Compensation Program have also resulted in corresponding modifications to the TAD Program.
- (f) The potential payouts under the modified TAD Program are consistent with the overall historical incentive-based compensation previously offered by the Applicant to eligible management employees under the TAD Program. The Target Payouts (measured as a percentage of annual salary) will remain the same, except for seven employees who will receive a modest increase in the Target Payout as described in the Third Teed-Murch Affidavit.
- (g) The modified TAD Program provides for (i) aggregate Q4 2017 payments of approximately \$2.2-2.5 million in the event that target performance levels are achieved by all 436 participants in the TAD Program, and (ii) an aggregate amount of approximately \$405,000 of any payments under the TAD Program to seven senior employees of the Applicant to be held back and paid upon the effectiveness of a plan of reorganization in respect of the Company (without reference to the achievement of a particular performance level). The Applicant advises that the target performance levels will be challenging to meet in the current market circumstances. The aggregate fourth quarter payment of

approximately \$2.2 million represents 40% of the annual payments under the TAD Program at target performance levels. By comparison, in the 2016 fiscal year, \$4.7 million was paid to 434 Toys Canada management employees under the TAD Program.

KERP

- (h) Each of the 12 Eligible Employees under the KERP will receive a retention payment of between 25% to 50% of his or her base salary.
- (i) The aggregate retention payments under the KERP are approximately \$965,000.
- (j) Retention payments will be made upon approval of the KERP by the Court and execution of the letter agreement in order to have an immediate incentive impact, but are subject to full clawback if an Eligible Employee resigns or is terminated for cause during the 12-month period following the Retention Date (as defined in the draft KERP letter attached to the Applicant's motion record).
- (k) With the assistance of the Financial Advisor, the KERP was benchmarked against other applicable retention programs in other comparable CCAA proceedings to ensure that it provides market-based payments and achieves its core objectives. The Monitor is of the view that the proposed KERP is consistent with similar retention programs approved in comparable CCAA proceedings.
- (l) The KERP is also consistent with the structure of the retention program implemented by the Debtors for certain global leaders in advance of the Chapter 11 Proceedings².
- (m) All of the participants in the KERP are also participants in the TAD Program.

30. Given the foregoing, the Monitor is of the view that the terms of the Canadian Compensation Programs are reasonable and appropriate in the circumstances.

² Which included Melanie Teed-Murch, President of Toys Canada, who is not a participant under the proposed KERP but is a participant under the TAD Program.

OPERATING RESULTS

31. In accordance with the Initial Order, the Monitor has reviewed the Applicant's receipts and disbursements since the date of the Initial Order.
32. The Applicant has remained current in respect of its obligations that have arisen since the issuance of the Initial Order.
33. The table below summarizes receipts and disbursements for the 10-week period from September 19, 2017 to November 25, 2017 (the "**Reporting Period**"), as compared to the Cash Flow Forecast attached as Exhibit "D" to the Initial Order Affidavit of Melanie Teed-Murch sworn September 19, 2017 (the "**Cash Flow Forecast**"). Following the table is commentary on key variances.

Toys "R" Us (Canada) Ltd.

Schedule of actual to budget cash flow variances

(Unaudited)

(In \$'000 CAD)

	Cumulative Ten-Weeks Ended November 25, 2017		
	Budget	Actual	Variance
Receipts	225,557	223,713	(1,844)
Disbursements			
Merchandise vendors	201,105	135,739	65,366
Non-merchandise vendors	33,856	33,794	62
Rent	10,675	11,074	(399)
Payroll	20,338	20,799	(461)
Capital expenditures	3,185	2,275	911
Tax	9,200	8,084	1,116
Intercompany payments / (receipts)	-	(1,615)	1,615
Total Disbursements	278,360	210,150	68,210
Operating Net Cash Flow	(52,803)	13,564	66,367
Professional fees	2,644	2,048	596
Repayment of Pre-Filing debt	246,474	249,492	(3,019)
DIP Fees & Interest	24,121	19,687	4,434
Total Restructuring Disbursements	273,239	271,227	2,012
Net Cash Flow	(326,042)	(257,663)	68,379
Beginning Cash	3,291	7,301	4,011
Net Cash Flow	(326,042)	(257,663)	68,379
DIP Draw / (Repayment)	327,751	275,435	(52,317)
Ending Cash	5,000	25,073	20,073

- (i) the beginning cash balance was approximately \$4 million greater than projected in the Cash Flow Forecast primarily due to better than anticipated sales performance during the period leading up to the commencement of the CCAA Proceedings;
- (ii) total receipts of approximately \$223.7 million result in a variance of approximately \$1.8 million less than projected in the Cash Flow Forecast;

- (iii) Intercompany receipts during the Reporting Period totaled approximately \$1.6 million, which is comprised primarily of amounts paid to the Applicant in respect of net redemptions of gift cards in September, 2017; and
 - (iv) total disbursements were approximately \$70.2 million less than projected in the Cash Flow Forecast. This variance is primarily due to the positive variance in merchandise vendor disbursements as a result of Toys Canada negotiating better than forecast payment terms with the majority of its domestic and foreign suppliers on post-filing supply following the commencement of the CCAA Proceedings.
34. Overall, during the Reporting Period, Toys Canada generated a positive net cash flow variance of approximately \$68.4 million relative to the Cash Flow Forecast.
35. As at November 25, 2017, Toys Canada had an outstanding balance of approximately \$30.2 million drawn on the Canadian DIP Revolving Facility, which provides availability of up to US\$300 million. The US\$200 million Canadian DIP Term Loan was fully drawn at the outset of the CCAA proceedings to repay the pre-filing ABL Credit Facility and remains outstanding.


CONCLUSION AND RECOMMENDATION

36. The Monitor supports the relief sought by the Applicant on this motion and is of the view that the granting of the requested relief, including the approval of the TAD Program and the KERP, is appropriate in the circumstances and in the best interests of Toys Canada and its stakeholders.
37. To prevent private and confidential personal compensation information with respect to the TAD Program and the KERP from being publicly disclosed, Toys Canada is requesting that the Court seal the Confidential Supplement to the Third Teed-Murch

Affidavit. The Monitor supports the Applicant's request for such information to be sealed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 7th day of December, 2017.

GRANT THORNTON LIMITED,
SOLELY IN ITS ROLE AS COURT-APPOINTED
MONITOR OF THE APPLICANT, AND NOT IN
ITS PERSONAL OR CORPORATE CAPACITY

Per: 

Michael Creber, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX 6

Appendix 6

Summary of certain orders, motions, and other filings made in the Chapter 11 Proceedings during the period from and including December 6, 2017 up to and including January 19, 2017

1. Below is a summary of certain orders, motions, and other filings made in the Chapter 11 Proceedings during the period from and including December 6, 2017 up to and including January 19, 2017, under the following headings:

A. December 19, 2017 Hearing

B. January 23, 2018 Hearing

C. Miscellaneous

December 19, 2017 Hearing

2. On December 19, 2017, the U.S. Court presided over an omnibus hearing to consider the below-listed motions, along with certain retention related applications. The U.S. Court granted each motion and application considered.

(a) *Debtors' Motion to Extend Exclusive Periods* – the U.S. Court granted the Debtors' motion to extend their exclusive periods to file a chapter 11 plan and solicit acceptances of the plan pursuant to section 1121(d) of chapter 11 of title 11 of the U.S. Code (the "**Bankruptcy Code**"). Pursuant to the U.S. Court's order, the Debtors now have until July 15, 2018 to file a plan and until September 13, 2018 to solicit acceptances of the plan.

(b) *Debtors' 365(d)(4) Extension Motion* – the U.S. Court granted the Debtors' motion to:

- (i) extend the time within which the Debtors must assume or reject unexpired leases

of nonresidential real property pursuant to section 365(d)(4) of the Bankruptcy Code to the earlier of (y) April 16, 2018, or (z) the date a plan is confirmed; and (ii) authorize procedures to approve agreements further extending the section 365(d)(4) deadline. The Applicant is carved out from the terms of this order.

(c) *Debtors' Bar Date Motion* – the U.S. Court granted the Debtors' motion to, among other things, establish the following bar dates: (i) General Claims Bar Date – April 6, 2018; (ii) Government Bar Date – June 18, 2018; (iii) Rejection Damages Bar Date – the later of the aforementioned bar dates, as applicable, and 30 days after a relevant rejection order; and (iv) Amended Schedules Bar Date – the later of the aforementioned bar dates, as applicable, and 30 days following a relevant amendment to the Debtors' schedules of assets and liabilities. The Applicant is carved out from the terms of this order, except as it relates to specific matters relating to notice and coordination with the Debtors and their noticing and claims agent. Specifically, the order provides that the Debtors, or Prime Clerk LLC, will provide the Monitor with all proofs of claims relating to the Applicant that are inadvertently filed in the Chapter 11 Proceedings.

(d) *Official Committee of Unsecured Creditors' (the "UCC") Information Sharing Procedures Motion* – the U.S. Court granted the UCC's motion to establish procedures for information sharing between general unsecured creditors and the UCC.

(e) *UCC's Rule 2004 Motion* – the U.S. Court granted the UCC's motion for an order pursuant to Bankruptcy Rule 2004 authorizing the issuance of document requests,

subpoenas, and the provision of testimony by the Debtors and others in connection with the UCC's investigation into certain pre-petition transactions.¹

January 23, 2018 Hearing

3. Additionally, the U.S. Court will hold an omnibus hearing on January 23, 2018. In addition to certain retention applications and objections thereto and a motion to lift the automatic stay that does not concern the Applicant², the following substantive motions, objections, and responses will be heard at the hearing:

(a) *Debtors' Motions for Orders Authorizing Geoffrey LLC to Assume Subsidy Agreement and Intercompany IP Agreement and File Certain Information Connected Therewith Under Seal* – the U.S. Court will consider the motions for authorization for Geoffrey LLC to assume (i) certain IP licenses agreements pursuant to which Geoffrey LLC licenses IP to certain of its non-Canadian affiliates³ and (ii) a related agreement (the “**Subsidy Agreement**”) that requires Geoffrey LLC to make certain subsidy payments to Toys Labuan (the motions together, the “**IP Assumption Motions**”). The Debtors state that the IP Assumption Motions were filed to meet a milestone pursuant to an agreement between certain of the Debtors and a subset of holders of the 12% Senior Secured Notes due 2021 issued by Tru Taj LLC and Tru Taj Finance Inc. (the “**Ad Hoc Group of Taj Noteholders**”).⁴

¹ Pursuant to the order granting the UCC's motion, the UCC has filed notices of deposition concerning certain non-debtor parties. The notices of deposition can be found at docket numbers 1464 and 1472.

² The motions to lift stay concerns Debtor Toys “R” Us, Inc. The motion can be found at docket number 1352.

³ Specifically, the IP license agreements subject to the motion are: (i) that certain Master License Agreement dated as of March 24, 2017 by and among Geoffrey LLC and Toys (Labuan) Holding Limited (“**Toys Labuan**”), Toys “R” Us, Inc., and Toys “R” Us Holdings (China) Limited (the “**Asian JV License Agreement**”); and (b) that certain License Agreement dated as of February 1, 2009 by and among Geoffrey LLC and each of the non-Debtor affiliate counterparties thereto (the “**European-Australian License Agreement**”).

⁴ The Ad Hoc Group of B-4 Lenders filed notices stating that they would be deposing Michael Short and Alan Carr, each on January 16, as well as Robert Zarra on January 17, in connection with the motions.

i. *Cyrus Capital Partners, L.P. Statement in Response to the IP Assumption Motions* – Cyrus Capital Partners, L.P. (“**Cyrus**”)—a creditor which purports to hold approximately 50% of the non-insider funded debt at Toys “R” Us, Inc.—filed a statement in response to the IP Assumption Motions. Cyrus asserts that the IP Assumption Motions provide for a reservation of rights that would allow Geoffrey LLC and its creditors to challenge the assumed agreements, which could ultimately negatively affect Cyrus’s and other creditors’ recoveries at Toys “R” Us, Inc. Accordingly, Cyrus requests that to the extent the U.S. Court approves the motions, the U.S. Court order that the input and consent of Toys “R” Us, Inc.’s disinterested directors be required with respect to any action or decisions related to, or concerning, the IP licenses agreements and the Subsidy Agreement and the transactions consummated in connection therewith.⁵

(b) *Debtors’ Motion to Provide Consideration to Landlords to Extend 365(d)(4) Deadline* – the U.S. Court will hear the Debtors’ motion for, among other things, authorization to pay up to \$1.3 million in the aggregate and provide a waiver of preference claims to certain landlords who consent to providing an extension of the deadline by which the Debtors must reject or assume leases (the “**Landlord Consideration Motion**”).⁶

⁵ Subsequent to Cyrus filing the statement, the Debtors filed revised forms of proposed orders for the motions which provide, among other things, certain consultation rights to the disinterested directors of Toys “R” Us, Inc., the UCC, and the Ad Hoc Group of Taj Noteholders regarding decisions and actions concerning the IP agreements and Subsidy Agreement.

⁶ The Office of the United States Trustee (the UST) has filed on an objection to the motion on grounds that are not relevant to the Applicant.

MISCELLANEOUS

4. Additionally, certain other filings⁷ have been made during the period covered by this Report.

These include:

(a) *Monthly Operating Report* – on December 29, 2017, the Debtors filed a report providing certain financial information regarding the Debtors' (including Toys Canada's) operations during the period of October 29, 2017 to November 25, 2017.

(b) *Stipulation and Consent Order Between Parties on Protective Order and Order Regarding Document Discovery* – on January 5, 2018, the U.S. Court entered orders stipulated and agreed to between the Ad Hoc Group of B-4 Lenders, the Ad Hoc Group of Taj Noteholders, and the Debtors concerning a protocol for document discovery and protection of discovery material in the Chapter 11 Proceedings.

⁷ This summary does not contain a complete listing of the filings; rather certain filings relevant to Toys Canada have been highlighted. For the complete listing of the filings, see <https://cases.primeclerk.com/ToysRus>.