

**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 THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SMURFIT-STONE
CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**MOTION RECORD
(Returnable December 3, 2010)**

November 26, 2010

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean F. Dunphy LSUC#: 24941J
Tel: (416) 869-5662

Alexander Rose LSUC#: 49415P
Tel: (416) 869-5261

Sarah Clarke LSUC#: 57377M
Tel: (416) 869-6853
Fax: (416) 861-0445

Lawyers for the Approving Debtors

TO: THE ATTACHED SERVICE LIST

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. c-36, AS AMENDED
AND IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND IN
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SMURFIT-STONE CONTAINER CANADA
INC. AND THE OTHER APPLICANTS LISTED ON SCHEDULE "A"**

**SERVICE LIST
Last updated on February 8, 2010**

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|--|--------------|---|
| ANDRITZ (USA) INC. 1115 Northmeadow Parkway Roswell, Georgia 30076 DEBORAH B. ZINK (Senior Counsel) E-mail: Deborah.Zink@andritz.com | 770.640.2591 | 770.640.2598 | Andritz Ltd. (Brampton) |
| AURELIUS CAPITAL MANAGEMENT, LP DAN GROPPER E-mail: dgropper@aurelius-capital.com GABRIELLA SKIRNICK E-Mail: GSkirnick@aurelius-capital.com | | | Aurelius Capital Management, LP |
| BEARD WINTER LLP Barristers and Solicitors 130 Adelaide St. West Suite 701 Toronto, Ontario M5H 2K4 ROBERT C. HARASON E-mail: rharason@beardwinter.com | 416.593.5555 416.306.1707 | 416.593.7760 | Modern Railings & Metalcraft Ltd. |
| BENNETT JONES LLP 3400 One First Canadian Place P.O. Box 130 Toronto, Ontario M5X 1A4 KEVIN J. ZYCH E-mail: zvchk@bennettjones.com S. RICHARD ORZY E-mail: orzyr@bennettjones.com DEREK FRUEH E-mail: fruehd@bennettjones.com RAJ SAHNI E-mail: sahnir@bennettjones.com GAVIN H. FINLAYSON E-mail: finlaysong@bennettjones.com | 416.777.5738 416.777.5737 416.777.6237 416.777.4804 416.777.5762 | 416.863.1716 | Canadian Counsel for the Official Committee of Unsecured Creditors of Smurfit-Stone Container Corporation, <i>et al</i> |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|--|--------------|---|
| BLAKE, CASSELS & GRAYDON LLP Box 25, Commerce Court West 199 Bay Street, Suite 2800, Toronto ON M5L 1A9 Canada SUSAN M. GRUNDY E-mail: susan.grundy@blakes.com LINC ROGERS E-mail: linc.rogers@blakes.com | 416.863.2400 416.863.2572 416.863.4168 | 416.863.2653 | JPMorgan Chase Bank, N.A., Toronto Branch and DIP Facility Lender (Canada) |
| BRYAN CAVE LLP 211 N. Broadway, Suite 3600 St. Louis, MO 63102 GREG WILLARD E-mail: gwillard@bryancave.com HAL BURROUGHS E-mail: hrburroughs@bryancave.com BART WALL E-mail: bdwall@bryancave.com KAREN FRIES E-mail: kwfries@bryancave.com JAMES BUELL E-mail: jgbuell@bryancave.com | 314.259.2000 314.259.2370 314.259.2706 314.259.2765 314.259.2635 314.259.2373 | 314.259.2020 | DIP Facility Lender (US) |
| CALEYWRAY LABOUR/EMPLOYMENT LAWYERS 1600-65 Queen Street West Toronto, ON, M5H 2M5 HAROLD F. CALEY E-mail: caleyh@caleywrap.com JESSE B. KUGLER Email: kuglerj@caleywrap.com | 416.775.4672 416).775.4677 | 416.366.3293 | Communications, Energy and Paperworkers Union of Canada (CEP) |
| CASSELS BROCK & BLACKWELL LLP 2100 Scotia Plaza, 40 King Street West Toronto, Ontario, M5H 3C2 JOHN N. BIRCH E-mail: jbirch@casselsbrock.com | 416.860.5225 | 416.640.3057 | Chemtrade Logistics Inc. |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|--|--------------|---|
| COLUMBUS HILL CAPITAL MANAGEMENT, L.P. 830 Morris Turnpike 2nd FL Short Hills, NJ 07078 DAVID W. AMBROSIA E-mail: david.ambrosia@columbushill.com | 973.921.3425 | 973.921.3455 | Noteholders of Stone Container Finance Company of Canada II |
| DELOITTE & TOUCHE INC. 181 Bay Street Brookfield Place, Suite 1400 Toronto, Ontario M5J 2V1 PAUL CASEY E-mail: paucasey@deloitte.ca CATHERINE HRISTOW E-mail: christow@deloitte.ca | 416.601.5999 1-866-859-6954 416.775.7172 416.775.8831 | 416.601.6690 | Monitor |
| FLUXGOLD IZSAK JAEGER LLP 100 York Blvd., Suite 220 Richmond Hill, ON L4B 1J8 BRUCE R. JAEGER E-mail: bjaeager@fijlaw.com | 905.763.3770 Ext. 212 | 905.763.3772 | Torbram Electric Supply Corporation |
| FRASER MILNER CASGRAIN LLP 1 First Canadian Place 100 King Street West Toronto, ON M5X 1B2 NEIL S. RABINOVITCH E-mail: neil.rabinovitch@fmc-law.com JANE O. DIETRICH E-mail: jane.dietrich@fmc-law.com | 416 863-4656 416 863-4467 | 416 863-4592 | Appeal Counsel for Aurelius Capital Management, L.P. and Columbus Hill Capital Management, L.P. |
| FRAM PROFESSIONAL CORPORATION. 810 Meadow Wood Road Mississauga, Ontario, L5J 2S6 DAVID A. FRAM E-mail: david@davidfram.com | 905.916.0130 | 905.916.1600 | Master Lift Truck Service |
| FTI CONSULTING Suite 2733, TD Canada Trust Tower 161 Bay Street Toronto, ON, M5J 2S1 NIGEL D. MEAKIN E-mail: nigel.meakin@fticonsulting.com | 416.572.2285 | 416.572.2201 | Financial advisor to the unsecured creditors' committee |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|--|--|----------------------------------|---|
| GOODMANS LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 ROB CHADWICK E-mail: rchadwick@goodmans.ca CHRIS ARMSTRONG E-mail: carmstrong@goodmans.ca | 416.979.2211 416.597.4285 416.849.6013 | 416.979.1234 | Deloitte & Touche Inc. |
| GOWLING LAFLEUR HENDERSON LLP 1 Place Ville Marie 37th floor Montréal, QC H3B 3P4 LOUISE LALONDE E-mail: louise.lalonde@gowlings.com | 514.878.9641 514.392.9557 | 514.878.1450 | Industries Wajax |
| HARRISON PENZA LLP 450 Talbot Street P.O. Box 3237 London, ON N6A 4K3 MICHAEL CASSONE E-mail: mcassone@harrisonpenza.com | 519.679.9660 519.661.6765 | 519.667.3362 | |
| KOSKIE MINSKY LLP 20 Queen Street West, Suite 900 Toronto, Ontario M5H 3R3 ANDREW J. HATNAY E-mail: ahatnay@kmlaw.ca ANDREA MCKINNON E-mail: amckinnon@kmlaw.ca | 416.977.8353 416.595.2083 | 416.977.3316 416.204.2872 | Smurfit-Stone SERP Retirees Protection Committee |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|--|--------------|---|
| KRAMER LEVIN NAFTALIS & FRANKEL LLP 1177 Avenue of the Americas New York, NY 10036 U.S.A. ROBERT T. SCHMIDT E-mail: rschmidt@kramerlevin.com DOUGLAS MANNAL E-mail: dmannal@kramerlevin.com JENNIFER SHARRET E-mail: jsharret@kramerlevin.com JASON RAPPAPORT E-mail: jrapoport@kramerlevin.com | 212.715.9527 212.715.9313 212.715.9516 212.715.9364 | 212.715.8000 | U.S. Counsel for the Official Committee of Unsecured Creditors of Smurfit-Stone Container Corporation, <i>et al</i> |
| LOOPSTRA NIXON LLP Suite 600 Woodbine place, 135 Queens Plate Drive Toronto, ON M9W 6V7 MICHAEL B. MCWILLIAMS E-mail: mmcwilliams@loonix.com | 416.748.4766 | 416.746.8319 | Preferred Polymer Coatings Ltd. |
| MACLEOD DIXON LLP Canadian Pacific Tower The Toronto-Dominion Centre 100 Wellington Street West, Suite 500 Toronto, ON M5K 1H1 ROBERT FRANK E-mail: robert.frank@macleoddixon.com | 416.202.6741 | 416.360.8277 | Shell Energy North America (Canada), Inc. |
| MARTIN SHEPPARD FRASER LLP Downtown Professional Building 4701 St. Clair Avenue, 2nd Floor P.O. Box 900, Niagara Falls ON L2E 6v7 GARY H. ENSKAT E-mail: enskat@martinshep.com | 905.354.1611 | 905.354.5540 | Pacific Northern Rail Contractors Inc. |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|---|--------------|--|
| <p>MCCARTHY TÉTRAULT LLP Suite 5300, Toronto Dominion Bank Tower Toronto ON M5K 1E6</p> <p>KEVIN MCELCHERAN E-mail: kmcelcheran@mccarthy.ca</p> <p>MALCOLM M. MERCER E-mail: mmercer@mccarthy.ca</p> <p>HEATHER L. MEREDITH E-mail: hmeredith@mccarthy.ca</p> | <p>416.601.7539</p> <p>416.763.0832</p> <p>416.601.7856</p> | 416.868.0673 | Aurelius Capital Management, LP and Columbus Hill Capital Management, L.P. |
| <p>MINISTRY OF THE ATTORNEY GENERAL LEGAL SERVICES BRANCH FINANCIAL SERVICES COMMISSION OF ONTARIO 17th Floor - Box 85 5160 Yonge Street Toronto ON M2N 6L9</p> <p>MARK BAILEY E-mail: m Bailey@fsco.gov.on.ca</p> | 416.590.7555 | 416.590.7070 | Superintendent of Financial Services |
| <p>ONTARIO MINISTRY OF REVENUE 6-33 King St W Oshawa, ON L1H 8H5</p> <p>CHANTALE BOURRE E-mail: chantale.bourre@ontario.ca</p> | 1.866.668.8297 | 905.436.4524 | Province of Ontario |
| <p>PRICEWATERHOUSECOOPERS INC. 77 King Street West, Toronto, ON, M5K 1G8</p> <p>JOHN MCKENNA E-mail: john.p.mckenna@ca.pwc.com</p> | 416.941.8314 | 416.814.3210 | Advisor to the Applicants and Partnerships |
| <p>SEPB QUEBEC 1200, avenue Papineau Bureau 250 Montréal, Québec H2K 4R5</p> <p>PIERRE GINGRAS E-mail: pgingras@sepb.qc.ca</p> | 514.522.6511 | 514.522.9000 | SEPB Quebec |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|--|--|--------------|--|
| SIDLEY AUSTIN LLP One South Dearborn Street Chicago, IL 60603 JAMES F. CONLAN E-mail: jconlan@sidley.com MATTHEW A. CLEMENTE E-mail: mclemente@sidley.com DENNIS M. TWOMEY E-mail: dtwomey@sidley.com BOJAN GUZINA E-mail: bguzina@sidley.com | 312.853.7000 312.853.6890 312.853.7539 312.853.7438 312.853.7323 | 312.853.7036 | Smurfit-Stone Container Corporation (US counsel) |
| SIMPSON THACHER & BARTLETT LLP 425 Lexington Avenue New York, NY 10017-3954 USA STEFANIE BIRKMANN E-mail: sbirkmann@stblaw.com PETER V. PANTALEO E-mail: ppantaleo@stblaw.com | 212.455.2000 212.455.2694 212.455.2220 | 212.455.2502 | Pre-petition lenders (US counsel) |
| SPEIGEL NICHOLS FOX LLP Barristers & Solicitors Suite 400 30 Eglinton Ave. W. Mississauga, ON L5R 3E7 JEFFREY W. TIGHE E-mail: jeffrey@ontlaw.com | 905.366.9700 ext. 274 | 905.366.9707 | Wolfedale Electric Ltd. |
| STEWART MCKELVERY Barrister, Solicitors and Trademark Agents Suite 900 Purdy's Wharf Tower 1 1959 Upper Water Street P.O. Box 997 Halifax, NS B3J 2X2 MAURICE P. CHIASSON, Q.C. E-mail: mchiasson@smss.com | 902.420.3200 902.420.3300 | 902.496.6176 | Maritime Paper Products Limited |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|---|--|--------------|---|
| STIKEMAN ELLIOT LLP 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 SEAN DUNPHY E-mail: sdunphy@stikeman.com ALEXANDER ROSE E-mail: arose@stikeman.com | 416.869.5500 416.869.5662 416.869.5261 | 416.947.0866 | Smurfit-Stone Container Canada Inc. |
| SUPERINTENDENT OF FINANCIAL SERVICES FINANCIAL SERVICES COMMISSION OF ONTARIO PENSION PLANS BRANCH 5160 Yonge Street, 4th Floor P.O. Box 85 North York, ON M2N 6L9 ANNA VANI E-mail: Anna.Vani@fSCO.gov.on.ca | 416.226.7793 | 416.226.7777 | Superintendent of Financial Services |
| THORNTONGROUTFINNIGAN LLP Suite 3200, Canadian Pacific Tower 100 Wellington Street West Toronto, Canada, M5K 1K7 JOHN T. PORTER E-mail: jporter@tgf.ca KIM G. FERREIRA E-mail: kferreira@tgf.ca | 416.304.1616 416.304-0778 416.304.0591 | 416.304.1313 | Casco Inc. & Corn Products International, Inc. |
| THORNTONGROUTFINNIGAN LLP Suite 3200, Canadian Pacific Tower 100 Wellington Street West Toronto, Canada, M5K 1K7 ROBERT I THORNTON E-mail: rthornton@tgf.ca SEEMA AGGARWAL E-mail: saggarwal@tgf.ca | 416.304.1616 | 416.304.1313 | Manufacturers and Traders Trust Company, in its capacity as Indenture Trustee |
| TRANSFORCE INC. 8585 Trans-Canada Hwy, Suite 300 St. Laurent, QC H4S 1Z6 PATRICK-JAMES BLAINE E-mail: pblaine@transforce.ca | 514.331.4000 514.331.4154 | 514.337.4200 | Besner Transport TFI 2 SEC Gregoire Transport (TFI 15 Sec) TFI Transport 2 L P TFI Transport 2 L P (Landry) Patriot Freight Services Inc. Transport Thibodeau |

| <i>Lawyers</i> | <i>Telephone</i> | <i>Fax</i> | <i>Lawyers For</i> |
|--|--|---|---|
| UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION (UNITED STEELWORKERS) 800-234 Eglinton Ave. East Toronto, ON M4P 1K7 PAULA TURTLE E-Mail: pturtle@usw.ca | 416.487.1571 416.544.5980 | 416.482.5548 416.487.8826 | United Steelworkers |
| YOUNG CONAWAY STARGATT & TAYLOR The Brandywine Building 1000 West Street, 17th Floor P.O. Box 391 Wilmington, DE 19899-0391 ROBERT S. BRADY E-mail: rbrady@ycst.com EDMON L. MORTON E-mail: emorton@ycst.com | 302.571.6600 302.571.6690 302.571.6637 | .302.571.1253 302.576.3283 302.576.3320 | Smurfit-Stone Container Corporation (US counsel) |

\5762263

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 THE *BANKRUPTCY AND*
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SMURFIT-STONE
CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

INDEX

| <u>TAB</u> | <u>DESCRIPTION</u> | <u>PAGE</u> |
|------------|--------------------|-------------|
| 1. | Notice of Motion | 1-12 |
| 2. | Draft Order | 13-18 |

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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

AND IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SMURFIT-STONE
CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

**NOTICE OF MOTION
(returnable December 3, 2010)**

Smurfit-Stone Container Canada Inc. ("**SSC Canada**") and the other Applicants listed on Schedule "A" hereto, other than Stone Container Finance Company of Canada II and 605681 N.B. Inc., and the Partnerships listed on Schedule "B" hereto (collectively, the "**Approving Debtors**") will make a motion before a Judge of the Ontario Superior Court of Justice, on Friday, December 3, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Modified Joint Plan of Reorganization of Smurfit-Stone Container Corporation and its Debtor Subsidiaries and Plan of Compromise and

Arrangement for Smurfit-Stone Container Canada Inc. and Affiliated Canadian Debtors (the "Plan").

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

THE MOTION IS FOR:

(a) Orders:

- (i) Deeming the Proofs of Claim asserting Late Filed Claims (defined below) to have been received by the CCAA Monitor prior to the Claims Bar Date;
- (ii) Deeming Holders of General Unsecured Claims that are Proven Claims against SSC Canada of US\$15,700 or less to have made the Convenience Class Election (defined below);
- (iii) To the extent that Canadian Newco causes US\$54,000 to be deposited into the SSC Canada Reserve Account (defined below), authorizing and directing the CCAA Monitor to make *pro rata* distributions from the SSC Canada Distribution Pool without reserving the SSC Canada Distribution Reserve;
- (iv) Authorizing and directing the CCAA Monitor to distribute the Smurfit-MBI Surplus Funds (defined below) to Canadian Newco; and
- (v) Authorizing and directing the CCAA Monitor to distribute any funds remaining in the Smurfit-MBI Distribution Pool and/or the SSC Canada Reserve Account to Canadian Newco upon resolution of the remaining unresolved General Unsecured Claims against Smurfit-MBI and SSC Canada, respectively, and immediately prior to its discharge as CCAA Monitor; and

(b) Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. Each of the Applicants is either a direct or indirect subsidiary of Smurfit-Stone Container Corporation, a Delaware corporation (“SSCC”). SSCC and certain of its direct and indirect subsidiaries (together, the “US Debtors”), including the Applicants and the Partnerships listed on Schedule “B” hereto, filed for protection from their creditors pursuant to Chapter 11 of Title 11 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1532, in the United States Bankruptcy Court for the District of Delaware on January 26, 2009.
2. On January 26, 2009, SSC Canada and the other Applicants and Partnerships obtained protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pursuant to an initial order of the Ontario Superior Court of Justice (the “Court”), as subsequently amended and restated (the “Initial Order”).
3. The Initial Order granted a stay of proceedings until February 25, 2009, or such later date as the Court may order (the “Stay Period”). The Stay Period has been extended on various occasions and, pursuant to the terms of the Order of the Honourable Madam Justice Pepall, dated May 13, 2010 (as

amended, the “**Sanction Order**”), has been extended to the “Dissolution Date” of December 31, 2010.

4. On May 13, 2010, the Court approved and sanctioned the Plan pursuant to the Sanction Order.
5. The Effective Date, being the date on which the transactions and other matters contemplated by the Plan became effective, including the transfer of substantially all of the assets of SSC Canada and Smurfit-MBI to Smurfit-Stone Container Canada L.P. (“**Canadian Newco**”), occurred on June 30, 2010.

Late Filed Claims

6. On June 25, 2009, the Court issued the Claims Procedure Order, which established the Claims Bar Date of August 28, 2009. On November 6, 2009, the Court issued the Claims Determination Order. Together, the Claims Procedure Order and the Claims Determination Order establish a Claims Procedure for the identification and determination of Claims and Subsequent Claims (as defined in the Claims Procedure Order).
7. Pursuant to paragraphs 7 and 15 of the Claims Procedure Order, Creditors (as defined in the Claims Procedure Order) who do not deliver Proofs of Claim by the Claims Bar Date are forever barred from asserting such Claims against any of the Applicants and Partnerships and such Claims are forever extinguished.

8. Paragraph 13 of the Claims Determination Order provides:

THIS COURT ORDERS that, for the purposes of paragraphs 7 and 15 of the Claims Procedure Order, the Applicants and Partnerships and the Monitor may, in their sole discretion, accept Proofs of Claim delivered to the Monitor after the Claims Bar Date but actually received prior to the date of this Order, and such accepted Proofs of Claim shall be deemed to have been delivered prior to the Claims Bar Date. For greater certainty, such Proofs of Claim (and the Claims underlying them) shall be subject to the provisions of this Order that apply to Proofs of Claim (and the Claims underlying them) actually received by the Claims Bar Date. [Emphasis added]

9. Subsequent to November 6, 2009, two Proofs of Claim were received by the CCAA Monitor asserting Claims against SSC Canada totalling approximately US\$1.1 million and one Proof of Claim was received by the CCAA Monitor asserting a Claim against Smurfit-MBI for US\$2,000 (collectively, the “**Late Filed Claims**”). But for the Claims Bar Date, such Claims would have been considered Proven Claims in whole or in part.
10. The only material Late Filed Claim is a Claim by Kruger, Inc. Scierie Parent (“**Kruger**”) for approximately US\$1.1 million that was asserted in a Proof of Claim first received on November 13, 2009. On June 16, 2010, Kruger filed a Notice of Motion with the U.S. Court to have its Claim admitted on the basis that the Proof of Claim was late-filed as a result of delayed receipt of the claims materials and inadvertence. SSC Canada, the CCAA Monitor and Kruger are prepared to accept Kruger’s Claim in the amount of approximately

US\$1.08 million, subject to the granting of the Order sought on the present motion and the finalization of a letter agreement.

Convenience Class Election

11. Clause (x) of section 4.4.1 of the Plan provides for a convenience class election for creditors of SSC Canada (the “**Convenience Class Election**”). Pursuant to the Convenience Class Election, Holders of General Unsecured Claims against SSC Canada could elect to receive US\$5,000 in lieu of their *pro rata* distribution from the SSC Canada Distribution Pool.
12. Given the anticipated *pro rata* distribution from the SSC Canada Distribution Pool, Holders of General Unsecured Claims against SSC Canada with Proven Claims of US\$15,700 or less would receive a larger distribution by making the Convenience Class Election.
13. The Convenience Class Election was to be exercised by Holders of General Unsecured Claims checking a box on the Proxy/Ballot distributed for purposes of voting on the Plan (the form of which was approved by the Court pursuant to the Plan Filing and Meeting Order dated February 10, 2010). However, many such Holders either did not make the Convenience Class Election (where they would have received a larger distribution by making the election) or did not return a completed Proxy/Ballot.

Distribution of Surplus Funds

14. A distribution was made to Holders of Proven Claims against Smurfit-MBI who made the Convenience Class Election on or about July 29, 2010 and a distribution to the Holders of Proven Claims against Smurfit-MBI entitled to a *pro rata* distribution from the Smurfit-MBI Distribution Pool was made on or about September 8, 2010. Based on the final aggregate amount of General Unsecured Claims against Smurfit-MBI relative to the size of the Smurfit-MBI Distribution Pool, Holders of Proven Claims against Smurfit-MBI have received, or will receive, payment in full of their Claims. Even reserving in full for the remaining unresolved General Unsecured Claims against Smurfit-MBI, there will be approximately US\$1.8 million in surplus funds in the Smurfit-MBI Distribution Pool (the “**Smurfit-MBI Surplus Funds**”).
15. On or about August 6, 2010, a distribution was made to Holders of Proven Claims against SSC Canada who made the Convenience Class Election. A distribution to the Holders of Proven Claims against SSC Canada entitled to a *pro rata* distribution from the SSC Canada Distribution Pool has not yet been made as certain Claims that materially impacted the *pro rata* distribution were only recently resolved.
16. There remain unresolved General Unsecured Claims against SSC Canada in the aggregate amount of approximately US\$520,000. Excluding the “Teamster’s Claim” referenced in the Seventeenth Report of the CCAA

Monitor dated November 26, 2010, there remain two unresolved General Unsecured Claims against SSC Canada totalling approximately US\$184,000 (the "**Remaining SSC Canada Disputed Claims**").

17. Section 8.17.1 of the Plan provides that the CCAA Monitor in consultation with the Reorganized Debtors or as otherwise ordered by the Court shall establish a SSC Canada Distribution Reserve from the SSC Canada Distribution Pool for the purpose of holding cash in the aggregate amount sufficient to distribute to each Holder of a Disputed Claim against SSC Canada the amount of cash that such Holder would have been entitled to receive under the Plan if such Claim had been a Proven Claim against SSC Canada.
18. The Approving Debtors wish the CCAA Monitor to make a *pro rata* distribution from the SSC Canada Distribution Pool without setting aside the SSC Canada Distribution Reserve, thereby eliminating the possibility that, once the remaining Disputed Claims are resolved, the CCAA Monitor will have to make a further *de minimus* distribution to Holders of Proven Claims against SSC Canada or have to make an assessment of whether any amounts remaining in the SSC Canada Distribution Pool are economical to distribute. To facilitate such a distribution, Canadian Newco will cause US\$54,000 to be deposited into a separate account to be maintained by the CCAA Monitor (the "**SSC Canada Reserve Account**") to fund distributions to Holders of any of

the Remaining SSC Canada Disputed Claims that become Proven Claims against SSC Canada. To the extent their Disputed Claims become Proven Claims, such Holders will receive the same percentage distribution as Holders receiving a *pro rata* distribution from the SSC Canada Distribution Pool.

19. To the extent that any of the Remaining SSC Canada Disputed Claims or the remaining unresolved General Unsecured Claims against Smurfit-MBI do not become Proven Claims in the full amounts claimed, there will be residual funds available for distribution to Canadian Newco.
20. Rules 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 as amended.
21. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. Seventeenth Report of the CCAA Monitor dated November 26, 2010; and
2. Such further and other materials as counsel may advise and this Honourable Court may permit.

November 26, 2010

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean F. Dunphy LSUC#: 24941J
Tel: (416) 869-5662

Alexander Rose LSUC#: 49415P
Tel: (416) 869-5261

Sarah Clarke LSUC#: 57377M
Tel: (416) 869-6853
Fax: (416) 861-0445

Lawyers for the Approving Debtors

SCHEDULE "A"

Smurfit-Stone Container Canada Inc.

3083527 Nova Scotia Company

MBI Limited/Limitée

639647 British Columbia Ltd.

B.C. Shipper Supplies Ltd.

Specialty Containers Inc.

605681 N. B. Inc.

Francobec Company

Stone Container Finance Company of Canada II

SCHEDULE "B"

Smurfit-MBI

SLP Finance General Partnership

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 3RD
)
JUSTICE PEPALL) DAY OF DECEMBER, 2010

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

AND IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SMURFIT-STONE
CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Applicants

ORDER

(LATE-FILED CLAIMS, CONVENIENCE CLASS AND DISTRIBUTION)

THIS MOTION made by the Applicants listed on Schedule "A" (other than Stone Container Finance Company of Canada II and 605681 N.B. Inc.) and the Partnerships listed on Schedule "B" (collectively, the "**Approving Debtors**") for (a) an order deeming Proofs of Claim filed in respect of the Late Filed Claims (as defined in the Seventeenth Report of the CCAA Monitor dated November 26, 2010 (the "**Seventeenth Report**")) to have been received prior to the Claims Bar Date; (b) an order deeming certain Holders of General Unsecured Claims that are Proven Claims against SSC Canada to have made the convenience class election referenced in clause (x) of section 4.4.1 of the Plan; and (c) orders relating to distributions from

the SSC Canada Distribution Pool, the Smurfit-MBI Distribution Pool and the SSC Canada Reserve Account (defined in the Seventeenth Report), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Seventeenth Report of the Monitor dated November 26, 2010 (the "**Seventeenth Report**") and the draft order and on hearing the submissions of counsel for the Approving Debtors and the CCAA Monitor,

GENERAL

- 1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Modified Joint Plan of Reorganization of Smurfit-Stone Container Corporation and its Debtor Subsidiaries and Plan of Compromise and Arrangement for Smurfit-Stone Container Canada Inc. and Affiliated Canadian Debtors (the "**Plan**").
- 2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein and the Seventeenth Report be and is hereby abridged and that the motion is properly returnable today and service on any interested party other than those parties served is hereby dispensed with.

LATE-FILED CLAIMS

- 3. **THIS COURT ORDERS** that the Proofs of Claim filed in respect of the Late Filed Claims (as defined in the Seventeenth Report) are deemed to have been received by the CCAA Monitor prior to the Claims Bar Date (as defined in the Claims Procedure Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 25, 2009).

CONVENIENCE CLASS ELECTION

4. **THIS COURT ORDERS** that Holders of General Unsecured Claims that are Proven Claims against SSC Canada in the amount of US\$15,700 or less are deemed to have made the convenience class election referenced in clause (x) of section 4.4.1 of the Plan.

DISTRIBUTION

5. **THIS COURT ORDERS** that, to the extent that Canadian Newco causes US\$54,000 to be deposited into the SSC Canada Reserve Account (defined in the Seventeenth Report), which account is to be maintained by the CCAA Monitor, the Monitor is authorized and directed to distribute the SSC Canada Distribution Pool without reserving the SSC Canada Distribution Reserve.

6. **THIS COURT ORDERS** that the Teamsters' Claim (as defined in the Seventeenth Report) shall be reserved for in the Smurfit-MBI Distribution Pool only.

7. **THIS COURT ORDERS** that, to the extent that any of the remaining unresolved General Unsecured Claims against SSC Canada becomes a Proven Claim, the Monitor is authorized and directed to make a distribution from the SSC Canada Reserve Account to the Holder of such Proven Claim. The CCAA Monitor shall distribute an amount from the SSC Canada Reserve Account that represents the same percentage of the Holder's Proven Claim as was received by the Holders of Proven Claims receiving a *pro rata* distribution from the SSC Canada Distribution Pool.

8. **THIS COURT ORDERS** that the CCAA Monitor is authorized and directed to distribute the amounts in the Smurfit-MBI Distribution Pool in excess of the total amount of Proven Claims against Smurfit-MBI and any current reserve for unresolved General Unsecured Claims against Smurfit-MBI to Canadian Newco or at Canadian Newco's direction.
9. **THIS COURT ORDERS** that the CCAA Monitor is authorized and directed to distribute any funds remaining in the Smurfit-MBI Distribution Pool and/or the SSC Canada Reserve Account to Canadian Newco upon resolution of the remaining unresolved General Unsecured Claims against Smurfit-MBI and SSC Canada, respectively, and immediately prior to its discharge as CCAA Monitor.

CCAA MONITOR

10. **THIS COURT ORDERS** that the conduct and activities of the CCAA Monitor as set out and described in the Seventeenth Report be and hereby are approved.
-

SCHEDULE "A"

Smurfit-Stone Container Canada Inc.

3083527 Nova Scotia Company

MBI Limited/Limitée

639647 British Columbia Ltd.

B.C. Shipper Supplies Ltd.

Specialty Containers Inc.

605681 N. B. Inc.

Francobec Company

Stone Container Finance Company of Canada II

SCHEDULE "B"

Smurfit-MBI

SLP Finance General Partnership

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36
AS AMENDED AND IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985, c. B-3, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SMURFIT-STONE CONTAINER CANADA INC. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

Court File No: CV-09-7966-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**MOTION RECORD
(Returnable December 3, 2010)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Sean F. Dunphy LSUC#: 24941J
Tel: (416) 869-5662

Alexander D. Rose LSUC#: 49415P
Tel: (416) 869-5261

Sarah Clarke LSUC#: 57377M
Tel: (416) 869-6835
Fax: (416) 947-0866

Lawyers for the Approving Debtors