

**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

TRANSCRIPT BRIEF

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Kevin McElcheran LSUC# 22119H
Tel: (416) 601-7730
Fax: (416) 868-0673

Malcolm M. Mercer LSUC# 23812W
Tel: (416) 601-7659
Fax: (416) 868-0673

Heather L. Meredith LSUC# 48354R
Tel: (416) 601-8342
Fax: (416) 868-0673

Lawyers for the Moving Parties, Aurelius
Capital Management, LP and Columbus Hill
Capital Management, L.P.

**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

TAB

DESCRIPTION

1.

Cross-examination of Melissa Paz on December 9, 2009

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

SN/l's

B E T W E E N:

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

- - - - -

This is the Examination for Discovery of MELISSA PAZ,
via videoconference, produced and examined on behalf of the
Corporate Applicant, Smurfit-Stone Container Canada Inc.,
taken at the offices of VICTORY VERBATIM REPORTING
SERVICES, Suite 900, Ernst & Young Tower, 222 Bay Street,
Toronto, Ontario, on the 9th day of December, 2009.

- - - - -

APPEARANCES :

ALEXANDER D. ROSE -- for the Applicants

SEEMA AGGARWAL -- for the Indenture
Trustee

MALCOLM MERCER -- for the Noteholders

Also Present :
Christopher Berg

INDEX OF PROCEEDINGS

	PAGE NUMBER
MELISSA PAZ, sworn	
Examination by Mr. Mercer	1 - 29
Re-Examination by Mr. Rose	29 - 30
Index of Undertakings	31
Index of Refusals	32
Certificate	33

1 MELISSA PAZ, sworn

2 EXAMINATION BY MR. MERCER:

3 1. Q. Could I ask, firstly, who is in the
4 room in St. Louis that are watching over the video?

5 A. I am Melissa Paz, and this is
6 Christopher Berg both from Smurfit-Stone.

7 2. Q. Who is Christopher Berg?

8 MR. BERG: Senior counsel litigation.

9 3. MR. MERCER: In what capacity are you
10 participating, sir?

11 MR. ROSE: Mr. Berg will not be
12 participating. He is simply sitting in as
13 an employee of the client. The client is
14 entitled to...Mr. Berg is there on behalf
15 of the client.

16 4. MR. MERCER: Who is he an employee of?
17 You are an employee of...

18 MR. BERG: Employee of Smurfit-Stone
19 Container Corporation.

20 5. MR. MERCER: Thank you very much.

21

22 BY MR. MERCER:

23 6. Q. Ms. Paz, you have been sworn to tell
24 the truth and you acknowledge that you have been
25 sworn?

1 A. Yes.

2 7. Q. Could you tell me where you reside,
3 please?

4 A. In St. Louis, Missouri.

5 8. Q. Could you tell me your address,
6 please?

7 A. 147 Gay Avenue, Clayton, Missouri,
8 63105.

9 9. Q. Who is your employer?

10 A. Smurfit-Stone Container Corporation.

11 10. Q. What is your title at Smurfit-Stone
12 Container Corporation?

13 A. Senior tax counsel.

14 11. Q. How long have you been senior tax
15 counsel?

16 A. Since mid-2006.

17 12. Q. What were you prior to mid-2006?

18 A. Tax counsel.

19 13. Q. For the same employer?

20 A. Yes.

21 14. Q. And how long were you tax counsel?

22 A. I joined the company in July of
23 2000.

24 15. Q. And I take it that you joined as tax
25 counsel?

1 A. Yes.

2 16. Q. And what did you do before you
3 joined your employer?

4 A. I worked immediately prior with
5 PricewaterhouseCoopers.

6 17. Q. And what was your title at
7 PricewaterhouseCoopers?

8 A. I have to think about that. Tax
9 manager.

10 18. Q. When did you commence employment
11 with PricewaterhouseCoopers?

12 A. I started with Coopers & Lybrand in
13 January of 1993, and then went through the merger in
14 1998 when it became PricewaterhouseCoopers. I left
15 there in July, 2000 to come to Smurfit-Stone.

16 19. Q. So, effectively, you were with the
17 same entity, although merged from 1993 to 2000?

18 A. Correct.

19 20. Q. And were you always in the tax
20 practice of that accounting firm?

21 A. Yes, I was.

22 21. Q. What is your university education?

23 A. I received my undergrad, Bachelor of
24 Science in accounting from what is now known as
25 Truman State University, and my law degree from

1 Washington University in St. Louis.

2 22. Q. When did you obtain your law degree?

3 A. In 1995.

4 23. Q. When did you obtain your Bachelor of
5 Science in accounting?

6 A. In 1992.

7 24. Q. Are you called to the State Bar of
8 any State?

9 A. I do have membership to the Missouri
10 State Bar.

11 25. Q. You say that with...

12 A. But I claim the exempt...well, I
13 claim an exemption, because I am not a practising
14 attorney.

15 26. Q. Have you ever been a practising
16 attorney?

17 A. No.

18 27. Q. And on the accounting side, do you
19 have any professional designation as an accountant?

20 A. I am a certified public accountant.

21 28. Q. And the basis, then, of your
22 qualification as a tax counsel, is your CPA
23 designation? I am not sure how it works in the
24 States, so I may just have this completely confused.

25 A. I don't know that there is any

1 significance to the title. I was given it after I
2 started with the company. I had no idea what my
3 title would be when I accepted the position.

4 29. Q. Perfectly fair. So "Counsel" is not
5 understood by you to mean practising attorney?

6 A. No, absolutely not.

7 30. Q. What is the nature of the role of a
8 tax counsel within the company for which you work?

9 A. Well, my role is that I do federal
10 and international tax planning for the company, for
11 Smurfit-Stone.

12 31. Q. And has your role changed from the
13 time that you were tax counsel to the time you
14 became senior tax counsel?

15 A. Only that I...rather than work in a
16 supporting role, I am more of a leading role.

17 32. Q. Are you expert with respect to
18 Canadian tax law?

19 A. No, I am not.

20 MR. ROSE: I am sorry, are you asking if
21 she is being put forward as an expert
22 witness?

23 33. MR. MERCER: No.

24

25 BY MR. MERCER:

1 34. Q. And do I also take it that you are
2 not expert with respect to Canadian commercial law?

3 A. That is correct. I am not.

4 35. Q. Prior to this examination we have
5 asked for copies of the Smurfit-Stone Container
6 Canada tax returns. May we have them?

7 MR. ROSE: I think that you, during the
8 course of your interview with Mr. Jones
9 yesterday, Mr. Dunphy indicated that you
10 would be provided with those tax returns,
11 did he not?

12 36. MR. MERCER: Yes, he said at this
13 examination, actually.

14 MR. ROSE: I see. Well, we don't have
15 them yet, and when we do, we will turn them
16 over to you.

U/T

17 37. MR. MERCER: Is there any reason they
18 are not available now?

19 MR. ROSE: Only that we have not
20 received them. I imagine that they are
21 being rounded up, and will be provided when
22 ready.

23

24 BY MR. MERCER:

25 38. Q. Ms. Paz, do you know the whereabouts

1 of the Smurfit-Stone Container Canada tax returns?

2 A. We are confirming that the copy that
3 we have in our files is the version that was
4 actually filed with the CRA, and we hope to have
5 those scanned and sent to our attorneys within the
6 next day or so.

7 39. Q. When did you locate these copies
8 within your file?

9 A. Well, I was just asked about this
10 this morning, so maybe an hour ago I asked one of my
11 employees to look for those.

12 40. Q. All right. What is the nature of
13 your relationship with Smurfit-Stone Container
14 Canada?

15 A. Smurfit-Stone Container Canada is a
16 direct subsidiary of Smurfit-Stone Container
17 Enterprises. So it falls within our corporate
18 group. So we do tax planning and tax compliance
19 services for that entity.

20 41. Q. And when you say "we", does that
21 mean you or does that mean you and others, or does
22 that mean someone else personally?

23 A. Me and others. We have a gentleman
24 in Canada that does the majority of the compliance,
25 the tax return preparation, and dealings with the

1 CRA.

2 42. Q. Who is that?

3 A. Claude Pouliot.

4 43. Q. And is Mr. Pouliot an accountant?

5 A. He is.

6 44. Q. What is the relationship of Mr.
7 Pouliot to Smurfit-Stone Container Canada?

8 A. He is a consultant. He is not an
9 employee.

10 45. Q. What is the nature of your
11 relationship with what I am cheerfully calling
12 "Finance 2", and I expect you will know what I mean?

13 A. Similar to us, it is a subsidiary of
14 Smurfit-Stone Container Enterprises, it falls within
15 the corporate group.

16 46. Q. So your answers with respect to
17 Finance 2 would be no different than the answers you
18 have just given with respect to Smurfit-Stone
19 Container Canada?

20 A. Correct.

21 47. Q. And there was an entity which has
22 been called "Finance 1"; are you familiar with that
23 entity?

24 A. Yes.

25 48. Q. What was the nature of your role

1 with respect to Finance 1?

2 MR. ROSE: I believe the answers in
3 respect of Finance 1 will be the same that
4 were given to you yesterday by Mr. Dunphy.
5 We take the position Finance 1 is not
6 relevant in any way in these proceedings,
7 and we are not going to answer any
8 questions relating to it.

/R

9

10 BY MR. MERCER:

11 49. Q. Did you have any involvement with
12 respect to the contractual terms of the loan
13 agreement, which is between Finance 2 and Smurfit-
14 Stone Container Canada, which is the subject matter
15 of this motion?

16 A. No, I did not.

17 50. Q. Who, insofar as you are aware, had
18 responsibility for the provisions of that loan
19 agreement?

20 A. My understanding is Dean Jones, as
21 our Canadian corporate counsel, would have had
22 primary responsibility.

23 51. Q. Anyone else having secondary
24 responsibility, so far as you are aware?

25 A. There were others involved in the

1 transaction. From the tax department, the primary
2 responsibility would have been with Stephanie
3 Re-Meiners.

4 52. Q. Was Ms. Meiners a practising
5 attorney?

6 A. I don't know what her designation
7 is. Her title here was senior tax counsel at that
8 time. I don't know if she considered herself
9 practising.

10 53. Q. Do you have any reason to believe
11 that she was qualified to practice Canadian tax or
12 Canadian commercial law?

13 A. No.

14 54. Q. Are you aware of anybody involved,
15 with respect to the provisions of the loan
16 agreement, qualified to practice Canadian tax or
17 commercial law other than Dean Jones?

18 A. Not that I am aware of.

19 55. Q. Other than Ms. Re-Meiners and Mr.
20 Jones, are you aware of anyone who you believe had
21 input into the provisions of the loan agreement?

22 A. From our treasury department,
23 Richard Marra would have been involved.

24 56. Q. What was the nature of Mr. Marra's
25 role at the time?

1 A. I believe his title was assistant
2 treasurer.

3 57. Q. What does an assistant treasurer do?

4 A. I have no idea. Assist the
5 treasurer.

6 58. Q. Excellent answer. What does a
7 treasurer do?

8 A. Seriously? Manages the corporate
9 resources. I truly don't know the title or the
10 definition.

11 59. Q. As a practical matter, do I take it
12 that Mr. Marra's role would have been to determine
13 the financial amounts that are required and when
14 they would be scheduled to be repaid and matters
15 such as that?

16 A. I would assume that would fall
17 within...

18 60. Q. Anything else which would fall
19 within his role, as you understood it?

20 A. I truly don't know. I don't know
21 what his job involved.

22 61. Q. Is Mr. Marra still with the company
23 that you work for?

24 A. No, he is not.

25 62. Q. Do you know where he is now?

1 A. I know he works in Clayton. That is
2 all I know.

3 63. Q. And what about Stephanie Re-Meiners?
4 Do you know her current whereabouts?

5 A. My understanding is she is not
6 employed currently.

7 64. Q. Do you have, or can you get a
8 residence, telephone number or address?

9 MR. ROSE: We are not going to.
/R

10 THE DEPONENT: I think I could...

11 MR. ROSE: We don't have to do that.
12 She is not employed by the company.

13
14 BY MR. MERCER:

15 65. Q. Insofar as you are aware, with
16 respect to the loan agreement, was any external
17 legal counsel obtained by either Smurfit-Stone
18 Container Canada or by Finance 2?

19 A. From my review of the files, I
20 didn't see any indication.

21 66. Q. In Exhibit H to your affidavit, we
22 have a long fascinating document, at page 107 of
23 which you have the title, "Legal Matters". There
24 are references to Canadian counsel with respect to
25 the notes, and there is reference to Stewart

1 McKelvey and to Stikeman Elliott. Do you know
2 whether those lawyers were in fact involved in
3 giving advice in respect of the matters set out in
4 Exhibit H?

5 A. I do not. I don't know.

6 67. Q. And do you know whether or not
7 either of those counsel, in the context of
8 considering the issues related to the notes from
9 their two perspectives, were called upon to consider
10 the provisions of the loan agreement?

11 A. I do not.

12 68. Q. Who would know that?

13 A. Dean Jones would be my best...

14 69. Q. Anybody else who might know that?

15 A. I guess people from those firms
16 might. I have no idea. I don't know.

17 70. Q. Do the books and records of your
18 employer provide any indication of who at these two
19 firms were involved in providing this legal
20 assistance?

21 A. As I said, upon review of my files,
22 I saw no reference to these firms or any others.

23 71. Q. Could you undertake, please, to look
24 in the files of your employer to see if there are
25 any documents which indicate who provided this legal

1 assistance within these two firms?

2 MR. ROSE: We are not going to do that.
3 We have already answered your question in
4 this regard.
/R

5 72. MR. MERCER: Really? I don't think so,
6 but I guess we have a different
7 understanding.

8 MR. ROSE: Fair enough.

9

10 BY MR. MERCER:

11 73. Q. Mr. Jones indicated in my interview
12 with him yesterday that the Finance 2 loan agreement
13 was patterned after the Finance 1 loan agreement.
14 Do you have any information with respect to that?

15 MR. ROSE: As I mentioned, we are not
16 going to answer questions relating to
17 Finance 1. We take the position it is not
18 relevant.
/R

19 74. MR. MERCER: You may, but I wish to
20 establish a foundation by asking questions
21 about it, and you may take the view that it
22 is not relevant, but unless I can ask
23 questions, we have to just take your word
24 on it?

25 MR. ROSE: I am not sure I follow that.

1 Let me say this: we are going to take that
2 position. Ms. Paz can answer the question
3 you just put to her, but we are not going
4 to be answering questions relating to the
5 Finance 1 transaction, but if you re-say
6 that question, she can certainly answer it.

7 75. MR. MERCER: Well, that is a challenge.
8 I have to remember now what I asked.

9 MR. ROSE: You asked if the Finance 2
10 transaction was predicated or built off of
11 the Finance 1 transaction.

12 76. MR. MERCER: I think "patterned" was
13 the...

14

15 BY MR. MERCER:

16 77. Q. The loan agreement in Finance 2 was
17 patterned after the loan agreement in Finance 1?

18 A. My understanding is that is the
19 case.

20 78. Q. Were those involved from Smurfit-
21 Stone Canada, or Finance 2, aware of the basis for
22 the structuring in the Finance 1 transaction?

23 MR. ROSE: I am sorry, as I mentioned
24 before, we are not going to get into the
25 Finance 1 transaction. We take the

1 position it is not relevant.
/R

2 79. MR. MERCER: Well, my position, to be
3 clear, is to the extent that Finance 2 was
4 patterned on Finance 1, and given that
5 Finance 1 was another sister entity, that I
6 am entitled to inquire into what those
7 involved in the finance 2 loan agreement
8 knew about the reasons, the commercial
9 reasons for structuring the loan agreement
10 the way it was structured.

11 MR. ROSE: Two points, sir: the first is
12 you raised this question yesterday with Mr.
13 Jones, and you are getting the exact same
14 answer now you got yesterday. The second
15 is: Ms. Paz's evidence is already that she
16 was not involved in preparation of those
17 documents. So there it is. We are not
18 going to answer questions about Finance 1.

19
20 BY MR. MERCER:

21 80. Q. Who was involved...and I recognize
22 you are going to say no to this, but let me just put
23 the questions on the table...who within Smurfit-
24 Stone Container Canada was involved with the Finance
25 1 transaction?

1 MR. ROSE: As I mentioned before, and I
2 can spare you the trouble going forward, we
3 are not going to be answering questions
4 about Finance 1.

5 81. MR. MERCER: I did understand that.

6 MR. ROSE: Thank you.

7 82. MR. MERCER: Refused would be
8 sufficient.

9 MR. ROSE: Refused.
/R

10

11 BY MR. MERCER:

12 83. Q. What legal advice, internal or
13 external, was provided to Finance 1 with respect to
14 the terms and conditions and provisions of the
15 Finance 1 loan agreement? And I know that is
16 refused.

17 MR. ROSE: Refused as well. Thank you.
/R

18

19 BY MR. MERCER:

20 84. Q. Anticipating the refusal, what legal
21 opinions or reports were given in respect of the
22 Finance 1 transaction?

23 MR. ROSE: Again, refused.
/R

24

25 BY MR. MERCER:

1 questions, and so, of course, we will never
2 know.

3 MR. ROSE: Fair enough. Refused, sir.
/R

4

5 BY MR. MERCER:

6 90. Q. And finally...well, maybe not
7 finally. We will see. Another refusal anticipated,
8 but please produce the files of your employer of
9 Smurfit-Stone Container Canada and of Finance 1 with
10 respect to the Finance 1 loan agreement.

11 MR. ROSE: Refused.
/R

12

13 BY MR. MERCER:

14 91. Q. Ms. Paz, now to involve you in the
15 examination again, does Smurfit-Stone Container
16 Canada file tax returns other than in Canada?

17 A. It files a Form 5471 in the U.S.,
18 which is a form required of controlled foreign
19 corporations. It is part of the consolidated return
20 of Smurfit-Stone Container.

21 92. Q. So do I understand correctly that
22 the parent files are consolidated return, and to be
23 able to do so, the Canadian subsidiary is required
24 to file appropriate forms as to its participation;
25 is that a fair...

1 A. Because it is a controlled foreign
2 corporation, the U.S. company is required to file
3 Form 5471 for it.

4 93. Q. And without getting particularly
5 detailed about it, what are the nature of the
6 contents of a Form 5471?

7 A. It reports any balance sheets and
8 income statements of the subsidiary, and if it has
9 any U.S. inclusions to income, that would be
10 reported.

11 94. Q. And does Finance 2 or Smurfit-Stone
12 Container Canada file provincial returns as well as
13 federal returns in Canada?

14 A. Stone Container Finance 2, its only
15 requirement is to Nova Scotia, and Nova Scotia does
16 not have its own return, so it joins in the federal.
17 Smurfit-Stone Container Canada does file provincial
18 returns, and I cannot recall, but I think it is
19 Quebec and Alberta and perhaps one other province.

20 95. Q. With the request, then, that I make
21 for tax returns of Smurfit-Stone Container Canada
22 are for those provincial returns as well as the
23 Canadian federal return.

24 MR. ROSE: Understood. Can you restate
25 your request? I am interested in the

1 years.

2 96. MR. MERCER: Sure, 2004 to date. I
3 assume if it was earlier you would object
4 on the basis that it would be Finance 1,
5 the immediate predecessor.

6 MR. ROSE: You will never know.

7 97. MR. MERCER: Let's test that
8 proposition. I would like it for 2003 as
9 well.

10 MR. ROSE: That is refused.
/R

11 98. MR. MERCER: Basis for your refusal?

12 MR. ROSE: Relevance.

13

14 BY MR. MERCER:

15 99. Q. In its Canadian tax returns, did
16 Smurfit-Stone Container Canada expense payments to
17 finance pursuant to the loan agreement as interest
18 expense?

19 A. Yes.

20 100. Q. And in the tax returns in Canada,
21 Smurfit-Stone Container Canada, was the loan amount
22 in the loan agreement with Finance 2 shown as debt?

23 MR. ROSE: I am sorry, we have already
24 undertaken to provide you with those.

25 THE DEPONENT: Yes.

1 101. MR. MERCER: Yes, I just don't have them
2 today.

3 MR. ROSE: You can answer again. I am
4 sorry, I spoke over Ms. Paz.

5 102. MR. MERCER: She said yes.

6 MR. ROSE: Okay.

7

8 BY MR. MERCER:

9 103. Q. Correct?

10 A. Yes.

11 104. Q. In the books and records of Smurfit-
12 Stone Container Canada, is the \$200 million amount
13 in the loan agreement shown as debt as between it
14 and Finance 2?

15 MR. ROSE: I am sorry...

16 THE DEPONENT: Yes, it is. My
17 apologies.

18

19 BY MR. MERCER:

20 105. Q. And are payments to Finance 2 in
21 respect of that shown in the books and records of
22 Smurfit-Stone Container Canada as interest on that
23 debt?

24 MR. ROSE: What books and records are
25 you referring to, sir?

1 BY MR. MERCER:

2 106. Q. Ma'am, as an accountant, do you
3 understand what the books and records of Smurfit-
4 Stone Container Canada refer to?

5 A. Yes.

6 107. Q. Please explain it to your counsel.

7 MR. ROSE: You can just answer the
8 question.

9 THE DEPONENT: I lost the question. Can
10 you repeat it, please?

11 108. MR. MERCER: I am having fun with your
12 counsel.

13

14 BY MR. MERCER:

15 109. Q. So the question, I will just go back
16 to the original question which is: Could you confirm
17 that the books and records of Smurfit-Stone
18 Container Canada show payments on the \$200 million
19 loan amount as interest payments to Finance 2?

20 A. Yes.
U/T

21 110. Q. Who signed the tax returns for
22 Smurfit-Stone Container Canada Canadian tax returns?

23 A. My understanding is Dean Jones signs
24 as the Canadian corporate officer.

25 111. Q. Mr. Jones said yesterday in his

1 interview with me that when he signed the tax
2 returns for Finance 2, he understood that the \$200
3 million U.S. amount and payments pursuant thereto
4 were debt and interest respectively. Do you have
5 any reason to challenge that proposition?

6 A. No.

7 112. Q. Have there been any third party
8 accountants or auditors who have provided opinions
9 as to the proper accounting treatment of the U.S.
10 \$200 million and payments thereon from the
11 perspective of Smurfit-Stone Container Canada?

12 A. Not that I am aware of.

13 113. Q. From the perspective of Finance 2?

14 A. Not that I am aware of.

15 114. Q. From the perspective of the company
16 that you work for?

17 A. No. I am sorry, no, I don't believe
18 so.

19 115. Q. Would you be aware, given the role
20 that you play within your company?

21 A. We have...the company is audited,
22 and I don't know if that would be included in it or
23 not. I have no idea.

24 116. Q. Could you check and find out,
25 please?

1 A. Yes.

2 117. Q. And if there are any such opinions
3 or reviews, please produce them.

4 MR. ROSE: Can you clarify again
5 which...

6 118. MR. MERCER: Opinions by third party
7 accountants or auditors from the
8 perspective of any of the three entities I
9 just described with respect to the proper
10 accounting treatment for the U.S. \$200
11 million and payments thereon.

12 MR. ROSE: We will undertake to see if
13 there are any and have a look at them, and
14 if they are relevant, give them over to
15 you.

U/T

16 119. MR. MERCER: And if they are not, you
17 will tell me you won't and why?

18 MR. ROSE: That is right.

19

20 BY MR. MERCER:

21 120. Q. What was Roger Becker's title with
22 the company that you work for?

23 A. At one point he was...well, he began
24 as senior tax counsel, then he became director of
25 taxes, and then finally vice-president of taxes.

1 assistance to the subsidiaries such as Finance 2?

2 A. Yes.

3 126. MR. MERCER: We are just going to break
4 for a moment, so let's go off the record.

5

6 --- A BRIEF RECESS

7

8 MELISSA PAZ, resumed

9 CONTINUED EXAMINATION BY MR. MERCER :

10 127. Q. Those are my questions. Thank you.

11 MR. ROSE: I actually have a few
12 questions in reply, if I may.

13 128. MR. MERCER: We will see.

14

15 RE-EXAMINATION BY MR. ROSE:

16 129. Q. I am actually allowed to ask you a
17 few questions in reply, Ms. Paz, so I would like to
18 do that. You were asked questions about the
19 preparation of the loan agreement; do you remember
20 that? Do you actually know who prepared the loan
21 agreement?

22 A. My understanding is it was Dean
23 Jones, but I don't know for certain.

24 130. Q. If you can describe briefly, what
25 was your role on the Finance 2 transaction?

1 A. I would describe it as a clerical
2 role where if charts needed to be presented, I would
3 prepare those charts, or pictorial representations,
4 but it was based on a drawing handed to me. So
5 clerical is how I would describe it.

6 131. Q. Were you involved in any...to the
7 extent that they occurred, were you involved in any
8 drafting sessions of these materials?

9 A. No, I was not.

10 132. Q. And when Mr. Mercer asked you, you
11 said that you imagined that Mr. Becker had been
12 contacted. Do you actually know if Mr. Becker has
13 been contacted?

14 A. I am sorry, I didn't state that. I
15 said I didn't think he had been, did not think he
16 had been contacted.

17 133. MR. ROSE: Okay, thank you.

18 MR. MERCER: Thank you very much for
19 your time.

INDEX OF UNDERTAKINGS

REFERENCE NUMBER	PAGE NUMBER	QUESTION NUMBER
1	8	36
2	25	109
3	27	118

INDEX OF REFUSALS

REFERENCE NUMBER	PAGE NUMBER	QUESTION NUMBER
1	11	48
2	14	64
3	16	71
4	16	73
5	18	78
6	19	82
7	19	83
8	19	84
9	21	89
10	21	90
11	23	97

REPORTER'S NOTE:

Please be advised that any undertakings, objections, under advisements and refusals are provided as a service to all counsel, for their guidance only, and do not purport to be legally binding or necessarily accurate and are not binding upon Victory Verbatim Reporting Services Inc.

I hereby certify the foregoing to be a true and accurate transcription of the above noted proceedings held before me on the 9th DAY OF DECEMBER, 2009 and taken to the best of my skill, ability and understanding.

Correct:

}
} Certified

}
}
}
}
}

Reporter

}
} Sindy Ng
} Verbatim

}

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36
AND IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3
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-09-7966-00CI

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

TRANSCRIPT BRIEF

McCarthy Tétrault LLP

Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Kevin McElcheran LSUC# 22119H

Tel: (416) 601-7730

Malcolm M. Mercer LSUC#: 23812W

Tel: (416) 601-7659

Heather L. Meredith LSUC# 48354R

Tel: (416) 601-8342

Fax: (416) 868-0673

Lawyers for the Respondents, Aurelius
Capital Management, LP and Columbus
Hill Capital Management, L.P.
#894566