

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF

**SEARS CANADA INC.,
SEARS HOLDINGS CORPORATION,
AND SHLD ACQUISITION CORP.**

- and -

**IN THE MATTER OF
HAWKEYE CAPITAL MANAGEMENT, LLC,
KNOTT PARTNERS MANAGEMENT LLC, AND
PERSHING SQUARE CAPITAL MANAGEMENT, L.P.**

**ORDER GRANTING INTERVENOR STATUS
TO THE BANK OF NOVA SCOTIA AND SCOTIA CAPITAL INC.**

(Application for standing in the hearing on the merits of the Applications under
Subsection 104(1) and section 127 of the Act)

Motion Hearing - June 9, 2006

Panel

Susan Wolburgh Jenah - Vice-Chair (Chair of the Panel)
Robert W. Davis, FCA - Commissioner
Carol S. Perry - Commissioner

Counsel

For Staff - Jane Waechter

For the Bank of Nova Scotia and
Scotia Capital Inc. - Paul Steep
- Thomas Sutton

	-	Lyla Simon
For Hawkeye Capital Management LLC	-	Kent Thomson
Knott Partners Management LLC	-	Steven Harris
Pershing Square Capital Management, L.P.	-	Luis Sarabia
For Sears Holdings Corporation	-	Joseph Steiner
	-	Allan Coleman
For Sears Canada Inc.	-	Andrew Gray
	-	Kathleen Keller-Hobson
For Royal Bank of Canada	-	David Byers
	-	Emily Smith
For William Anderson	-	Gerald Ranking

**ORDER GRANTING INTERVENOR STATUS
TO THE BANK OF NOVA SCOTIA AND SCOTIA CAPITAL INC.**

WHEREAS these proceedings concern an offer (the Offer) by SHLD Acquisition Corp. (SHLD), a wholly-owned subsidiary of Sears Holdings Corporation (Sears Holdings), to acquire all of the outstanding common shares of Sears Canada Inc. (Sears Canada);

AND WHEREAS on June 5, 2006, Pershing Square Capital Management L.P. (Pershing), Hawkeye Capital Management, LLC (Hawkeye) and Knott Partners Management LLC (Knott Partners) (collectively, the Pershing Group) applied for relief against SHLD and Sears Holdings under sections 104 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the Act);

AND WHEREAS on June 5, 2006, SHLD and Sears Holdings applied for relief under sections 104 and 127 of the Act in respect of the conduct of the Pershing Group in connection with the Offer;

AND WHEREAS the Bank of Nova Scotia (BNS) and Scotia Capital Inc. (Scotia Capital) are not named as parties to the application made by the Pershing Group although certain facts have been put into issue by the Pershing Group which may have an impact on BNS and Scotia Capital;

AND WHEREAS on or around June 2, 2006, the Pershing Group delivered a document request to BNS and Scotia Capital relating to documents in the possession, power or control of BNS and Scotia Capital;

AND WHEREAS on or around June 6, 2006, the Pershing Group delivered a notice of motion to compel the production of certain documents from BNS and Scotia Capital;

AND WHEREAS BNS and Scotia Capital filed a notice of motion for an order that they be granted full standing in the hearing on the merits of the two applications for orders under sections 104 and 127 of the Act (the Applications);

AND WHEREAS BNS and Scotia Capital maintain that they would be able to make a useful contribution to the resolution of the issues raised in the application made by the Pershing Group as they are best positioned to provide probative evidence and make submissions concerning the role they played in the matters at issue;

AND WHEREAS BNS and Scotia Capital are security holders of Sears Canada and as such have an economic interest which may be affected by a decision rendered by the Commission;

AND WHEREAS the Pershing Group, SHLD, Sears Holdings and Sears Canada have provided their consent to BNS and Scotia Capital's application for full standing in the

hearing on the merits of the Applications, subject to three conditions being observed by BNS and Scotia Capital;

AND UPON considering the submissions made by counsel at the motion hearing held on June 9, 2006;

AND UPON being satisfied that granting BNS and Scotia Capital full standing would also be of assistance in securing a just and expeditious determination of the Applications;

AND UPON being satisfied that BNS and Scotia Capital's contribution to the hearing on the merits of the Applications would not prejudice the interests of any of the parties;

AND UPON being satisfied that it is appropriate under the circumstances to grant full standing to BNS and Scotia Capital at the hearing on the merits of the Applications, subject to the conditions set out below;

IT IS ORDERED THAT:

The Bank of Nova Scotia and Scotia Capital are granted full standing at the hearing on the merits of the Applications, subject to the following conditions:

1. BNS and Scotia Capital shall make full and proper production of documents as agreed upon by the parties or as required by a Commissioner or panel of Commissioners on a timely basis;
2. BNS and Scotia Capital shall abide by the timetable agreed to by the existing parties to this proceeding, including by delivering any affidavits, submissions or factums they intend to rely upon on the same dates as Sears Holdings and Sears Canada;
3. the materials filed by or on behalf of BNS and Scotia Capital, and the submissions and examinations of their counsel, be confined to the matters at issue in this proceeding that directly affect or concern BNS and Scotia Capital, and do not repeat or duplicate materials, submissions or examinations of the existing parties to this proceeding.

DATED at Toronto this 20th day of June, 2006.

"Susan Wolburgh Jenah"
Susan Wolburgh Jenah

"Robert W. Davis"
Robert W. Davis

"Carol S. Perry"
Carol S. Perry