

**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 ROYAL BANK OF CANADA**

(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 Knott Partners Management LLC Pershing Square Capital Management, L.P.	- - -	Kent Thomson Steven Harris 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 ROYAL BANK OF CANADA**

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 Royal Bank of Canada (RBC) is not named as a party 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 RBC;

AND WHEREAS on or around May 30, 2006, the Pershing Group delivered a document request to RBC relating to documents in the possession, power or control of RBC;

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

AND WHEREAS RBC filed a notice of motion for an order that RBC 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 RBC maintains that it would be able to make a useful contribution to the resolution of the issues raised in the application made by the Pershing Group as RBC is best positioned to provide probative evidence and make submissions concerning the role it played in the matters at issue;

AND WHEREAS RBC is a security holder of Sears Canada and as such has 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 RBC's application for full standing in the hearing on the merits of the Applications, subject to three conditions being observed by RBC;

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

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

AND UPON being satisfied that RBC'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 RBC at the hearing on the merits of the Applications, subject to the conditions set out below;

IT IS ORDERED THAT:

The Royal Bank of Canada is granted full standing at the hearing on the merits of the Applications subject to the following conditions:

1. RBC 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. RBC 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 RBC, and the submissions and examinations of their counsel, be confined to the matters at issue in this proceeding that directly affect or concern RBC, 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