

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the “Act”)**

– 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

Section 9(2) of the Act

WHEREAS on August 8, 2006, the Commission issued its Reasons and Decision (the “Reasons”) and made an order (the “Cease Trade Order”) pursuant to subsections 104(1) and 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the “Act”) that the offer to acquire (the “Offer”) made by Sears Holdings Corporation and SHLD Acquisition Corp. (collectively, the “Offerors”) for all of the outstanding common shares of Sears Canada Inc. (the “Common Shares”) be cease-traded until certain conditions are satisfied;

AND WHEREAS by notice of appeal dated August 9, 2006, the Offerors have appealed to the Ontario Superior Court of Justice (Divisional Court) to set aside the Cease Trade Order;

AND WHEREAS by an application dated August 24, 2006 (the “Application”), the Offerors requested that the Commission confirm that the Cease Trade Order does not restrict the Offerors from (a) extending the Offer from time to time in the discretion of the Offerors to preserve the Offerors’ rights pending the outcome of the appellate process in relation to the Cease Trade Order, and (b) making certain additional amendments to the Offer, as particularized in the Application and the attachment thereto;

AND WHEREAS, in the alternative, the Application sought a stay of the Cease Trade Order pursuant to subsection 9(2) of the Act, or otherwise, to permit the Offerors to take the actions contemplated in (a) and (b), above;

AND WHEREAS the Commission believes it to be in the public interest to stay the Cease Trade Order to preserve the Offerors' rights pending the outcome of the appellate process;

IT IS HEREBY ORDERED THAT, on the consent of the parties, the Cease Trade Order is stayed to the extent necessary only to permit the Offerors to amend the Offer by extending the expiry time of the Offer until the appellate process in relation to the Cease Trade Order has been exhausted;

AND IT IS FURTHER ORDERED THAT, on considering the submissions of counsel for the Offerors seeking the further relief sought in the Application and the submissions of counsel for Hawkeye Capital Management, LLC, Knott Partners Management, LLC, Pershing Square Capital Management L.P. and Staff of the Commission opposing the granting of such relief, the application to stay the Cease Trade Order to permit the making of the additional amendments to the Offer is hereby dismissed.

DATED at Toronto this 29th day of August, 2006.

“Susan Wolburgh Jenah”
Susan Wolburgh Jenah

“Robert W. Davis”
Robert W. Davis