

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

NO : 500-11-036133-094

SUPERIOR COURT
(Commercial Division)
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C., c.
C-36, as amended)

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:**

ABITIBIBOWATER INC.
and
ABITIBI-CONSOLIDATED INC.
and
BOWATER CANADIAN HOLDINGS INC.
and
the other Petitioners listed

Petitioners/Debtors

And
ERNST & YOUNG INC.

Monitor

And
THE ROYAL TRUST COMPANY

Mise en cause

And
Clifford R. Bowles
Donald Bridges
Serge Bureau
Robert Chambers
Emmanuelle-Andrée Collin
Paul J.E. Gagné
Anthony Iasenza
Norman W. Lord
Ian Moss McArthur
John Poleschuk
Marc Charles Régnier

David Toole and Bette Toole
Wallace M. Vrooman
John Hubert Whalen
Edward Broadhurst
Donald Campbell
Fernand Landry
David J. Steuart

Petitioners/Creditors

**MOTION OF THE PETITIONERS/CREDITORS TO IMMEDIATELY RESUME THE
PAYMENT OF SERPS BENEFITS TO SCHEDULE "A" AND "B" MEMBERS OF THE
SERPS PENDING THE PROCEEDINGS ON THE MOTION FOR DIRECTIONS**

TO THE HONOURABLE CLÉMENT GASCON J.S.C., PETITIONERS/CREDITORS
RESPECTFULLY SUBMIT THE FOLLOWING:

I. PROCEDURAL BACKGROUND

1. On March 19, 2010, the Petitioner/Debtor Bowater Canadian Forest Products Inc. ("**BCFPI**") filed a *Motion for Directions on the Identity of the persons whose benefits under the Bowater Supplemental Executive Retirement Plans were secured by a letter of credit ("Motion 484")*, which was amended on May 28, 2010 (hereafter collectively: "**Motion for Directions**").
2. In preparation for the hearing on the Motion for Directions, the parties agreed on a Time Schedule which was approved by the Court on April 26, 2010 (the "**Time Schedule**").
3. The Motion for Directions is scheduled for a *pro forma* hearing on June 11, 2010.
4. As per the Time Schedule, all the Contestations to the Motion for Directions had to be filed no later than May 19, 2010.
5. As of the date of the present motion, the following Contestations to the Motion for Directions were filed:
 - Contestation by the present Petitioners/Creditors, who are identified as Schedule A or Schedule B members in the Motion for Directions ("**Woods LLP Contestation**") – Filed on May 19, 2010; and

- Contestation by De Grandpré, Joli-Cœur on behalf of 7 employees identified as Schedule D members (active members) in the Motion for Directions (« **De Grandpré, Joli-Cœur Contestation** ») – Filed on June 4, 2010
6. As per the Time Schedule, the Responses to the Contestations had to be filed no later than June 9, 2010.
 7. As of the date of the present motion, the following Responses to the Contestations were filed:
 - Response by Greenspoon Perreault LLP, on behalf of Mr. Jerry P. Soderberg, who is identified as a Schedule C member (US member) in the Motion for Directions (“**Greenspoon/Perreault Response**”) – Filed on June 9, 2010; and
 - Response by Langlois Kronström Desjardins, LLP on behalf of Mr. Warren Porter Woodworth and Mrs. Alyce Flenniken, who are identified as a Schedule C members (US members) in the Motion for Directions (“**Langlois Kronström Desjardins Response**”) – Filed on June 9, 2010.

II. GROUND OF THE MOTION

A) PRESENTATION OF THE PETITIONERS/CREDITORS

8. The Petitioners/Creditors are all members of the Supplemental Executives Retirement Plans (“**SERPs**”) of BCFPI.
9. The Petitioners/Creditors are identified as Schedule “A” (Canadian Members who Retired Before December 31, 2003) and Schedule “B” (Canadian Members who Retired After December 2003) members in the Motion for Directions.
10. More particularly, the following Petitioners/Creditors are identified as “Schedule A members” (Canadian members who retired before December 31, 2003) in the Motion for Directions:
 - Clifford R. Bowles
 - Donald Bridges
 - Serge Bureau
 - Robert Chambers
 - Emmanuelle-Andrée Collin
 - Paul J.E. Gagné
 - Anthony Iasenza
 - Norman W. Lord

- Ian Moss McArthur
- John Poleschuk
- Marc Charles Régnier
- David Toole and Bette Toole
- Wallace M. Vrooman
- John Hubert Whalen

11. The following Petitioners/Creditors are identified as “Schedule B members” (Canadian members who retired after December 31, 2003 but before May 26, 2009) in the Motion for Directions:

- Edward Broadhurst
- Donald Campbell
- Fernand Landry
- David J. Steuart

B) RIGHT OF PETITIONERS/CREDITORS (AND OTHER SCHEDULE A AND B MEMBERS) TO SHARE IN THE PROCEEDS OF THE LETTER OF CREDIT

12. The Petitioners/Debtors’ position is to the effect that Schedule A members are clearly entitled to share in the proceeds of the Letter of Credit for the entirety of the rights which they accumulated in the SERPs, as appears from paragraphs 46 and 47 of the Motion for Directions.
13. The Petitioners/Debtors’ position is to the effect that Schedule B members are entitled to share in the proceeds of the Letter of Credit but only to the extent of the value of the SERPs liabilities accrued up to December 31, 2003, as appears from paragraphs 50 and 52 of the Motion for Directions.
14. None of the parties interested in the Motion for Directions challenges the right of Schedule A or Schedule B members to benefit from the proceeds of the Letter of Credit, as described and circumscribed in the Motion for Directions.

C) PREJUDICE TO PETITIONERS/CREDITORS

15. The proceeds of the Letter of Credit are held in trust by the Mise en cause since May 26, 2009, as appears from paragraph 34 of the Motion for Directions.
16. In spite of the Petitioners/Creditors’ unchallenged right to share in the proceeds of the Letter of Credit, the payment of their monthly SERPs benefits is suspended since May 1, 2009.
17. Being deprived from their monthly SERPs payments has caused and unnecessarily continues to cause significant harm and inconveniences to the Petitioners/Creditors.

18. By definition, the Schedule "A" and Schedule "B" members of the Motion are the oldest members of the SERPs and are the most prejudiced by any further delay in resuming the payment of monthly SERP benefits.

D) ORDER SOUGHT

19. The Petitioners/Creditors therefore seek an Order from this Court to immediately resume payment of their monthly SERPs benefits, with arrears until May 1, 2009.
20. The Petitioners/Creditors also seek that such Order be made to the benefit of all the other individual identified as Schedule "A" and Schedule "B" members in the Motion for Directions, as none of the parties interested in the Motion for Directions suggests that distinctions should be made between the members of those two categories.
21. The Schedule A and Schedule B members represent the most significant portion of the beneficiaries of the Letter of Credit (both in numbers and in value of covered benefits).
22. Irrespective of the judgment to be rendered on the Motion for Directions, there is no risk that the Petitioners/Creditors or Schedule A and Schedule B members be paid more than their full undisputed share of the proceeds of the Letter of credit before a judgment is rendered on the Motion for Directions.
23. Therefore, the order sought will not prejudice the rights of the other parties interested in the Motion for Directions to recover their share of the proceeds of the Letter of Credit, should the judgment on the Motion for Directions eventually determine that they are entitled to such a share.
24. Petitioner/Debtor Bowater Canadian Forest Products Inc. ("**BCFPI**") does not object to the present Motion.

WHEREFORE, MAY PLEASE THE COURT TO:

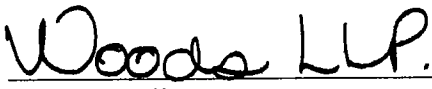
ORDER that the Royal Trust Company immediately resume the monthly payments to Clifford R. Bowles, Donald Bridges, Serge Bureau, Robert Chambers, Emmanuelle-Andrée Collin, Paul J.E. Gagné, Anthony Iasenza, Norman W. Lord, Ian Moss McArthur, John Poleschuk, Marc Charles Régnier, David Toole and Bette Toole, Wallace M. Vrooman, John Hubert Whalen and all other persons identified as Schedule A members in the *Motion for Directions on the Identity of the persons whose benefits under the Bowater Supplemental Executive Retirement Plans were secured by a letter of credit*, with arrears since May 1, 2009, the whole based on the monthly amount which was paid to them prior to the suspension of payments in April 2009.

ORDER that The Royal Trust Company immediately resume the monthly payments to Edward Broadhurst, Donald Campbell, Fernand Landry, David J. Steuart and all other persons identified as Schedule B members in the *Motion for Directions on the Identity of the persons whose benefits*

under the Bowater Supplemental Executive Retirement Plans were secured by a letter of credit, with arrears since May 1, 2009, the whole based on the monthly amount corresponding to the value of the SERPs liabilities which they accrued up to December 31, 2003, as calculated by Mercer.

THE WHOLE WITH COST.

Montreal, June 9, 2010



Woods LLP
Attorneys for Petitioners/Creditors

AFFIDAVIT

I, the undersigned, Marc Régnier, retiree, residing and domiciled in the district of Montreal, solemnly declare the following:

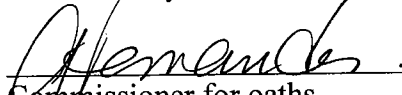
1. I am a retiree of Bowater Canadian Forest Products Inc. formerly AVNOR Inc., participant in the Senior Executive Retirement Plan of BCFPI and beneficiary of the Letter of Credit which secures the obligations under the Supplemental Executive Retirement Plans of BCFPI;
2. All the facts alleged in the Motion of the Petitioners/Creditors to Immediately Resume the Payment of SERPs Benefits to Schedule "A" and "B" Members of the SERPs pending the Proceedings on the Motion for Directions are true.

AND I HAVE SIGNED



Marc Régnier

Solemnly declared before me at Montreal
on the 9th day of June, 2010



Commissioner for oaths



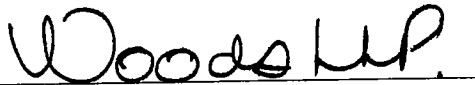
NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the Motion of the Petitioners/Creditors to Immediately Resume the Payment of SERPs Benefits to Schedule "A" and "B" Members of the SERPs pending the Proceedings on the Motion for Directions filed by the Petitioners/Debtors will be presented for adjudication to the Honourable Clément Gascon, at the Montreal Court House, 1 Notre-Dame St. East, on June 11, 2010 at 9h00, room 16.12.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, June 9, 2010


Woods LLP
Attorneys for Petitioners/Creditors

No.: 500-11-036133-094

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Mtre. Marie-Anne Paquette - File no. : 5001-1

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