

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SMURFIT-STONE CONTAINER
CORPORATION, et al.,¹

Debtors.

Chapter 11

Case No. 09-10235 (BLS)

Jointly Administered

Hearing Date: March 10, 2009 at 2:00 p.m. ET

Objection Deadline: March 3, 2009 at 4:00 p.m. ET

**MOTION OF THE DEBTORS FOR AN ORDER
APPROVING CROSS-BORDER INSOLVENCY PROTOCOL**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) hereby move this Court (the “Motion”) for entry of an order approving a cross-border insolvency protocol in substantially the form attached hereto as Exhibit A (the “Cross-Border Protocol”). In support of this Motion, the Debtors respectfully state as follows:

STATUS OF THE CASE AND JURISDICTION

1. On January 26, 2009 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On January 27, 2009, the Court entered an order consolidating the Debtors’ chapter 11 cases for procedural purposes only.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Smurfit-Stone Container Corporation (1401), Smurfit-Stone Container Enterprises, Inc. (1256), Calpine Corrugated, LLC (0470), Cameo Container Corporation (5701), Lot 24D Redevelopment Corporation (6747), Atlanta & Saint Andrews Bay Railway Company (0093), Stone International Services Corporation (9630), Stone Global, Inc. (0806), Stone Connecticut Paperboard Properties, Inc. (8038), Smurfit-Stone Puerto Rico, Inc. (5984), Smurfit Newsprint Corporation (1650), SLP Finance I, Inc. (8169), SLP Finance II, Inc. (3935), SMBI Inc. (2567), Smurfit-Stone Container Canada Inc. (3988), Stone Container Finance Company of Canada II (1587), 3083527 Nova Scotia Company (8836), MBI Limited/Limitée (6565), Smurfit-MBI (1869), 639647 British Columbia Ltd. (7733), B.C. Shipper Supplies Ltd. (7418), Specialty Containers Inc. (6564), SLP Finance General Partnership (9525), Francobec Company (7735), and 605681 N.B. Inc. (1898). The Debtors’ corporate headquarters are located at, and the mailing address for each Debtor is, 150 North Michigan Avenue, Chicago, Illinois 60601.

2. The Debtors have continued in possession of their respective properties and have continued to operate and maintain their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicate for the relief sought herein is section 365 of the Bankruptcy Code and Fed. R. Bankr. P. 6006.

BACKGROUND OF THE DEBTORS

4. Smurfit-Stone Container Corporation (“SSCC”) is a holding company that conducts its business operations through its wholly-owned subsidiary Smurfit-Stone Container Enterprises, Inc. (“SSCE”), the surviving entity from the November 1998 merger of Jefferson Smurfit Corporation and Stone Container Corporation. SSCE is the direct or indirect parent company of all of the other Debtors and their respective non-debtor affiliates (collectively with SSCC and SSCE, the “Company”). The Company is one of the leading integrated manufacturers of paperboard and paper-based packaging in North America and is one of the world’s largest recyclers of paper. The Company sells a broad range of paper-based packaging products, including containerboard, corrugated containers, kraft paper, and point of purchase displays, to a broad range of manufacturers of industrial and consumer products.

5. The Company operates 162 manufacturing facilities that are primarily located in the United States and Canada, including 14 paper mills (12 in the United States and 2 in Canada), 122 container plants (102 in the United States (including 1 in Puerto Rico), 16 in Canada, 3 in Mexico, and 1 in China), and 26 reclamation plants (all in the United States). The Company also owns approximately one million acres of timberland in Canada and operates wood

harvesting facilities in Canada and the United States. The Company employs approximately 21,250 employees, of whom approximately 17,410 are based in the United States. For the fiscal year ended December 31, 2007, the Company recorded revenues of approximately \$7.420 billion, resulting in a net loss of approximately \$115 million for fiscal year 2007. For the quarterly period ended September 30, 2008, the Company reported approximately \$7.450 billion in total assets and \$5.582 billion in total liabilities on a consolidated basis.

6. The Company's financial performance depends primarily upon the market demand for its products and the prices that it receives for such products. The recent downturn in the global economy has resulted in an unprecedented decline in demand for the Company's products, leading to increased inventory levels and downward pressure on the Company's operating income. At the same time, substantial price competition and volatility in the pulp and paper industry has resulted in decreased prices for the Company's products which, coupled with the Company's leveraged financial position and the recent volatility in energy prices and the cost of raw materials, have adversely impacted the Company's financial performance. In addition, recent and dramatic changes in the capital markets have adversely impacted the Company's prospects for refinancing its revolving credit and securitization facilities. Because of these factors, the Debtors have found it necessary to commence these chapter 11 cases.

7. On the Petition Date, following the commencement of these chapter 11 proceedings, certain of the Debtors – including Smurfit-Stone Container Canada Inc., a wholly-owned subsidiary of SSCE, and certain of its affiliates (collectively, the "Cross-Border

Debtors)² – applied for protection from their creditors in Canada pursuant to the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the “CCAA”) or other insolvency laws (the cases commenced under the CCAA by the Cross-Border Debtors other than Smurfit-MBI and SLP Finance General Partnership and the recognition proceedings commenced by Smurfit-MBI and SLP Finance General Partnership, collectively, the “Cross-Border Proceedings”) in the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”). On the Petition Date, the Canadian Court issued an “initial order” (the “CCAA Initial Order”) pursuant to which it, *inter alia*, granted the application of the Cross-Border Debtors for protection under the CCAA, imposed a stay of all proceedings (the “CCAA Stay”) against the Cross-Border Debtors and their property in Canada, created certain administrative liens, appointed Deloitte & Touche Inc. as the monitor (the “Monitor”) in the Cross-Border Proceedings, and set forth certain other limitations and procedures for all parties in interest in the Cross-Border Proceedings. The Honorable Justice Pepall presides over the Cross-Border Proceedings.

RELIEF REQUESTED

8. In order to facilitate the administration of the Chapter 11 Cases and the Cross-Border Proceedings, the Debtors request that the Court enter an order, in substantially the form attached to this Motion as Exhibit B, approving the proposed Cross-Border Protocol.

9. In light of the transnational nature of the Debtors’ business, the fact that the Cross-Border Debtors are parties to both the Chapter 11 Cases and the Cross-Border Proceedings

² The Cross-Border Debtors are Smurfit-Stone Container Canada Inc., Stone Container Finance Company of Canada II, 3083527 Nova Scotia Company, MBI Limited/Limitée, Smurfit-MBI, 639647 British Columbia Ltd., B.C. Shipper Supplies Ltd., Specialty Containers Inc., SLP Finance General Partnership, Francobec Company, and 605681 N.B. Inc. Smurfit-MBI and SLP Finance General Partnership did not apply for protection under the CCAA but did receive certain relief under the CCAA Initial Order, including all protections of the CCAA Stay. In addition, Smurfit-MBI, SLP Finance General Partnership and the other Cross-Border Debtors sought and received recognition of their respective Chapter 11 Cases in the Canadian Court under Section 268 of the Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3.

(collectively, the “Insolvency Proceedings”), and the fact that all management decisions regarding the Cross-Border Debtors are made by the Debtors’ officers and directors in the United States (the “Management Team”), the Debtors submit that it is necessary to implement a cross-border protocol between this Court and the Canadian Court (collectively, the “Courts”) to address certain issues that are anticipated to arise in coordinating the Insolvency Proceedings.

10. Specifically, a cross-border protocol is needed to ensure that: (i) the Insolvency Proceedings are coordinated to avoid inconsistent, conflicting or duplicative rulings by the Courts; (ii) all parties in interest are provided sufficient notice of key issues in both Insolvency Proceedings; (iii) the substantive rights of all parties in interest are protected; and (iv) the jurisdictional integrity of the Courts is preserved. The Cross-Border Protocol is designed to achieve these objectives by implementing a framework of general principles and timing considerations to address the basic administrative and procedural issues arising out of the cross-border nature of the Insolvency Proceedings. Such coordination is essential and should, among other things, maximize the efficiency of the Insolvency Proceedings, reduce the costs associated therewith, and avoid duplication of effort and the possibility of conflicting rulings by the Courts.

11. The Cross-Border Protocol provides that it shall not divest or diminish the independent jurisdiction of this Court over the Chapter 11 Cases or of the Canadian Court over the Cross-Border Proceedings. In particular, nothing in the Cross-Border Protocol shall be construed to, among other things, (a) require this Court to take any action inconsistent with the laws of the United States, (b) require the Canadian Court to take any action inconsistent with the laws of Canada, (c) require the Debtors or any estate professionals to take any action, or refrain from taking any action, that would result in a breach of duty imposed on them by applicable law, (d) authorize any action that otherwise requires the specific approval of this Court, except to the

extent such action is specifically provided for in the Cross-Border Protocol as approved by this Court, or (e) preclude the Debtors or any party in interest from asserting such party's substantive rights under the applicable laws of the United States, Canada, or any other jurisdiction.

APPLICABLE AUTHORITY

12. The relief requested herein is authorized under the Court's general equitable powers, which are codified in section 105(a) of the Bankruptcy Code. Under section 105(a), the court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). The purpose of section 105(a) is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 Collier on Bankruptcy, ¶ 105.01, at 105-6 (15th ed. rev.). The Cross-Border Protocol provides a necessary and appropriate means for communication between the two Courts and it provides a framework for coordination of the Insolvency Proceedings. Such communication and coordination will prove beneficial to the administration of both the Chapter 11 Cases and the Cross-Border Proceedings.

13. A number of courts, in this District and elsewhere, have authorized similar protocols for managing cross-border insolvency proceedings. See, e.g., In re Nortel Networks Inc., Case No. 09-10138 (KG) (Bankr. D. Del. Jan. 14, 2009); In re Progressive Molded Prods., Case No. 08-11253 (KJC) (Bankr. D. Del. 2008 July 14, 1008); In re Quebecor World (USA) Inc., Case No. 08-10152 (Bankr. S.D.N.Y. Apr. 8, 2008); In re Pope & Talbot, Inc., Case No. 07-11738 (CSS) (Bankr. D. Del. 2007 Dec. 14, 2007); In re Calpine Corp., Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. 2007 Apr. 12, 2007); In re Systech Retail Sys. (U.S.A.), Inc., Case No. 03-00142 (Bankr. E.D.N.C. 2003); In re Federal Mogul Global, Inc., Case No. 01-10578 (JKF)

(Bankr. D. Del. 2001 Feb. 7, 2002). Accordingly, the Debtors submit that there is ample authority and precedent for approving the proposed Cross-Border Protocol.

NOTICE

14. Notice of this Motion has been provided to: (i) the Office of the United States Trustee; (ii) counsel to the official committee of unsecured creditors; (iii) counsel to the agents for the Debtors' prepetition loan facilities; (iv) counsel to the agents for the Debtors' post-petition lenders; (v) the indenture trustees for each series of the Debtors' prepetition notes; (vi) the Monitor and counsel to the Monitor; and (vii) all parties that requested notices pursuant to Federal Rule of Bankruptcy Procedure 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

NO PRIOR REQUEST

15. The Debtors have not previously sought the relief requested herein from this or any other Court in the United States. The Cross-Border Debtors are simultaneously seeking approval of the proposed Cross-Border Protocol by the Canadian Court.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request that the Court enter an order, in substantially the form attached hereto as Exhibit B, (i) approving the Cross-Border Protocol and (ii) granting such other and further relief as the Court may deem just and proper.

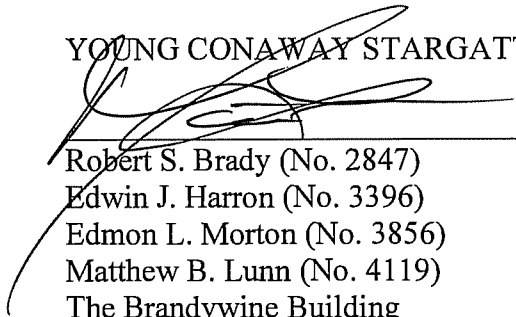
Dated: Wilmington, Delaware
February 20, 2009

Respectfully submitted,

SIDLEY AUSTIN LLP
James F. Conlan
Matthew A. Clemente
Dennis M. Twomey
Bojan Guzina
One South Dearborn Street
Chicago, Illinois 60603
Telephone: (312) 853-7000
Facsimile: (312) 853-7036

-and-

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Robert S. Brady (No. 2847)
Edwin J. Harron (No. 3396)
Edmon L. Morton (No. 3856)
Matthew B. Lunn (No. 4119)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899-0391
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Proposed Attorneys for the Debtors and Debtors-In-Possession

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SMURFIT-STONE CONTAINER
CORPORATION, et al.,¹

Debtors.

Chapter 11

Case No. 09-10235 (BLS)

Jointly Administered

Hearing Date: March 10, 2009 at 2:00 p.m. ET

Objection Deadline: March 3, 2009 at 4:00 p.m. ET

NOTICE OF MOTION

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE; (II) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS; (III) COUNSEL TO THE AGENTS FOR THE DEBTORS' PREPETITION LOAN FACILITIES; (IV) COUNSEL TO THE AGENTS FOR THE DEBTORS' POST-PETITION LENDERS; (V) THE INDENTURE TRUSTEES FOR EACH SERIES OF THE DEBTORS' PREPETITION NOTES; (VI) THE MONITOR AND COUNSEL TO THE MONITOR; AND (VII) ALL PARTIES THAT REQUESTED NOTICES PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2002.

The above captioned debtors and debtors-in-possession (collectively, the "Debtors") have filed the attached **Motion of the Debtors for an Order Approving Cross-Border Insolvency Protocol** (the "Motion").

Responses, if any, to the Motion must be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **March 3, 2009 at 4:00 p.m. (ET)** (the "Objection Deadline"). At the same time, you must serve a copy of your response upon the undersigned counsel.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Smurfit-Stone Container Corporation (1401), Smurfit-Stone Container Enterprises, Inc. (1256), Calpine Corrugated, LLC (0470), Cameo Container Corporation (5701), Lot 24D Redevelopment Corporation (6747), Atlanta & Saint Andrews Bay Railway Company (0093), Stone International Services Corporation (9630), Stone Global, Inc. (0806), Stone Connecticut Paperboard Properties, Inc. (8038), Smurfit-Stone Puerto Rico, Inc. (5984), Smurfit Newsprint Corporation (1650), SLP Finance I, Inc. (8169), SLP Finance II, Inc. (3935), SMBI Inc. (2567), Smurfit-Stone Container Canada Inc. (3988), Stone Container Finance Company of Canada II (1587), 3083527 Nova Scotia Company (8836), MBI Limited/Limitée (6565), Smurfit-MBI (1869), 639647 British Columbia Ltd. (7733), B.C. Shipper Supplies Ltd. (7418), Specialty Containers Inc. (6564), SLP Finance General Partnership (9525), Francobec Company (7735), and 605681 N.B. Inc. (1898). The Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 150 North Michigan Avenue, Chicago, Illinois 60601.

**A HEARING ON THE MOTION WILL BE HELD ON MARCH 10, 2009
AT 2:00 P.M. (ET) BEFORE THE HONORABLE BRENDAN L. SHANNON IN THE
UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824
N. MARKET STREET, 6TH FLOOR, COURTROOM 1, WILMINGTON, DELAWARE
19801.**

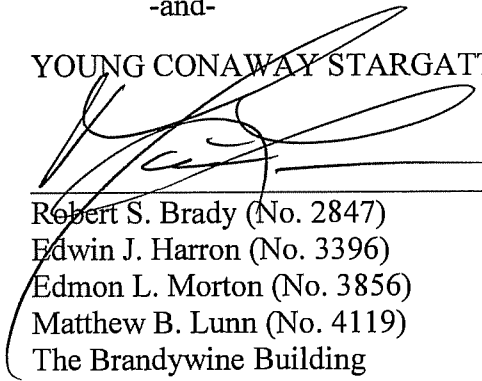
IF YOU FAIL TO RESPOND TO THE MOTION IN ACCORDANCE WITH
THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN
WITHOUT FURTHER NOTICE OR A HEARING.

Dated: Wilmington, Delaware
February 20, 2009

SIDLEY AUSTIN LLP
James F. Conlan
Matthew A. Clemente
Dennis M. Twomey
Bojan Guzina
One South Dearborn Street
Chicago, Illinois 60603
Telephone: (312) 853-7000
Facsimile: (312) 853-7036

-and-

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Robert S. Brady (No. 2847)
Edwin J. Harron (No. 3396)
Edmon L. Morton (No. 3856)
Matthew B. Lunn (No. 4119)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899-0391
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Proposed Attorneys for the Debtors and
Debtors-In-Possession

EXHIBIT A

CROSS-BORDER INSOLVENCY PROTOCOL

This cross-border insolvency protocol (the “Cross-Border Protocol”) shall govern the conduct of all parties in interest in the Insolvency Proceedings (as defined below).

A. Background

1. Smurfit-Stone Container Canada Inc., a wholly-owned subsidiary of SSCE, and certain of its subsidiaries and affiliates (collectively, the “Cross-Border Debtors”)¹ have applied for protection from their creditors in Canada pursuant to the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the “CCAA”) or other insolvency laws (the cases commenced under the CCAA by the Cross-Border Debtors other than Smurfit-MBI and SLP Finance General Partnership and the recognition proceedings commenced by Smurfit-MBI and SLP Finance General Partnership, collectively, the “Cross-Border Proceedings”) in the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”). The Canadian Court has issued an “initial order” (the “CCAA Initial Order”) pursuant to which it, *inter alia*, granted the application of the Cross-Border Debtors for protection under the CCAA, imposed a stay of all proceedings (the “CCAA Stay”) against the Cross-Border Debtors and their property in Canada, created certain liens, appointed Deloitte & Touche Inc. as the monitor (the “Monitor”) in the Cross-Border Proceedings, and set forth certain other limitations and procedures for all parties in interest in the Cross-Border Proceedings. The Honorable Justice Pepall presides over the Cross-Border Proceedings.

¹ The Cross-Border Debtors are Smurfit-Stone Container Canada Inc., Stone Container Finance Company of Canada II, 3083527 Nova Scotia Company, MBI Limited/Limitée, Smurfit-MBI, 639647 British Columbia Ltd., B.C. Shipper Supplies Ltd., Specialty Containers Inc., SLP Finance General Partnership, Francobec Company, and 605681 N.B. Inc. Smurfit-MBI and SLP Finance General Partnership did not apply for protection under the CCAA but did receive certain relief under the CCAA Initial Order, including all protections of the CCAA Stay. In addition, Smurfit-MBI, SLP Finance General Partnership and the other Cross-Border Debtors sought and received recognition of their respective Chapter 11 Cases in the Canadian Court under Section 268 of the Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3.

2. Smurfit-Stone Container Corporation ("SSCC") and Smurfit-Stone Container Enterprises, Inc. ("SSCE"), the parent company of SSC Canada and each of the other Cross-Border Debtors, and certain of their subsidiaries and affiliates (including each of the Cross-Border Debtors) (collectively, the "U.S. Debtors") have commenced reorganization cases (collectively, the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware ("U.S. Court"), and such cases have been consolidated for procedural purposes only under Case No. 09-10235. The Debtors continue to operate and maintain their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. For convenience, (a) the U.S. Debtors and the Cross-Border Debtors shall collectively be referred to herein as the "Debtors", (b) the Chapter 11 Cases and the Cross-Border Proceedings shall collectively be referred to herein as the "Insolvency Proceedings", (c) the U.S. Court and the Canadian Court shall collectively be referred to herein as the "Courts", (d) the official committee of unsecured creditors appointed in the Chapter 11 Cases shall be referred to herein as the "Committee", (e) any estate representative appointed in the Chapter 11 Cases, including the Committee and any examiner or trustee appointed pursuant to section 1102 of the Bankruptcy Code shall collectively be referred to herein as the "U.S. Representatives", (f) the Monitor and its respective officers, directors, employees, counsel and agents, wherever located shall be collectively referred to herein as the "Monitor Parties", (g) the Monitor Parties and any other estate representatives appointed in the Cross-Border Proceedings shall collectively be referred to herein as the "Cross-Border Representatives", and (h) the U.S. Representatives and the Cross-Border Representatives shall collectively be referred to herein as the "Representatives".

B. Purpose and Goals

4. While the Insolvency Proceedings are pending in the United States and Canada, the implementation of basic administrative procedures is necessary to coordinate certain activities therein, to effectuate an orderly and efficient administration of the Insolvency Proceedings, and to best maintain the Courts' respective independent jurisdiction and to give effect to the doctrine of comity. The Debtors have drafted this Cross-Border Protocol to promote the following mutually desirable goals and objectives in the Insolvency Proceedings:

- (a) harmonize and coordinate activities between the Courts in the Insolvency Proceedings;
- (b) promote and facilitate the fair, open, orderly, and efficient administration of the Insolvency Proceedings to, among other things, maximize the efficiency of same, reduce the costs associated therewith, and avoid the duplication of efforts, for the benefit of all of the Debtors' creditors, their estates, and other interested parties, wherever located;
- (c) honor the respective independence and integrity of the Courts and all other courts and tribunals of the United States and Canada;
- (d) promote international cooperation and respect for comity among the Courts, the Debtors, the Representatives, and all creditors and other interested parties in the Insolvency Proceedings; and
- (e) implement a framework of general principles to address certain issues arising out of the cross-border nature of the Insolvency Proceedings.

C. Comity and Independence of the Courts

5. The approval and implementation of this Cross-Border Protocol shall not divest or diminish the U.S. Court's and the Canadian Court's respective independent jurisdiction over the subject matter of the Chapter 11 Cases and the Cross-Border Proceedings, respectively. By approving and implementing this Cross-Border Protocol, neither the U.S. Court, the Canadian Court, the Debtors, the Representatives, nor any creditor of the Debtors or other interested party

in the Insolvency Proceedings, shall be deemed to have approved or engaged in any infringement on the sovereignty of either the United States or Canada.

6. The U.S. Court shall have sole and exclusive jurisdiction and power over all aspects of the Chapter 11 Cases. The Canadian Court shall have sole and exclusive jurisdiction and power over all aspects of the Cross-Border Proceedings. In accordance with the principles of comity and judicial independence, nothing contained herein shall be construed to:

- (a) increase, decrease, or otherwise modify the independence, sovereignty, or jurisdiction of the U.S. Court, the Canadian Court, or any other court or tribunal in the United States or Canada, including, but not limited to, the ability of any such court or tribunal to provide appropriate relief under applicable law on an *ex parte* or “limited notice” basis;
- (b) require the U.S. Court to take any action that is inconsistent with its obligations under the laws of the United States;
- (c) require the Canadian Court to take any action that is inconsistent with its obligations under the laws of Canada;
- (d) require the Debtors, the Monitor, or the Representatives to take any action or refrain from taking any action that would result in a breach of any duty imposed on such parties by any applicable law;
- (e) authorize any action that requires the specific approval of one or both of the Courts under the Bankruptcy Code or the CCAA after appropriate notice and hearing (except to the extent that such action is specifically described in this Cross-Border Protocol); or
- (f) preclude the Debtors, the Monitor, the Representatives, the Office of the United States Trustee (the “U.S. Trustee”), any creditor, or any other party-in-interest from asserting such party’s substantive rights under the applicable laws of the United States, Canada or any other jurisdiction including, without limitation, the rights of interested parties or affected persons to appeal from the decisions taken by one or both of the Courts.

7. The Debtors, the Representatives, and their respective employees, members, agents, and professionals shall respect and comply with the independent, nondelegable duties imposed upon them by the Bankruptcy Code, the CCAA, and other applicable laws.

8. Notwithstanding the foregoing, the officers and directors of the Debtors (including the Cross-Border Debtors) (the “Management Team”) shall have the primary responsibility for developing, confirming and implementing a plan of reorganization (and the overall restructuring strategy) for all of the Debtors, including the Cross-Border Debtors.

D. Cooperation

9. To assist in the efficient and orderly administration of the Insolvency Proceedings, and in recognition of the fact that any of the Debtors may be creditors of any of the other Debtors’ estates, the Debtors shall, where appropriate, (i) cooperate with each other in connection with any actions they may take in the U.S. Court and the Canadian Court and (ii) take any other appropriate steps to coordinate the administration of the Insolvency Proceedings for the benefit of the Debtors’ respective estates and stakeholders.

10. To harmonize and coordinate the administration of the Insolvency Proceedings, the U.S. Court and the Canadian Court each may coordinate activities and consider whether it is appropriate to defer to the judgment of the other Court. In addition:

- (a) The U.S. Court and the Canadian Court may communicate with one another, with or without counsel present, with respect to any procedural or substantive matter relating to the Insolvency Proceedings.
- (b) If the issue of the proper jurisdiction or Court to determine an issue is raised by any interested party in either the Cross-Border Proceedings or the U.S. Cases with respect to a motion or application that has been filed in either Court, the Court before which such motion or application was initially filed may contact the other Court to determine an appropriate process by which to determine the issue of jurisdiction. Such process shall be subject to submissions by the Debtors, the U.S. Trustee, the Monitor, the Representatives, and any interested party prior to any determination on the issue of jurisdiction being made by either Court.
- (c) The Courts may, but are not obligated to, coordinate activities in the Insolvency Proceedings such that the subject matter of any particular action, suit, request, application, contested matter, or other proceeding can be determined in a single Court.

- (d) The Courts may, but are not required to, conduct joint hearings (each, a “Joint Hearing”) with respect to any matter in which both Courts consider such a Joint Hearing to be necessary or advisable and, in particular, to facilitate or coordinate proper and efficient conduct of the Insolvency Proceedings. With respect to any such Joint Hearing, unless otherwise ordered by both Courts, the following procedures will be followed:
- (i) a telephone or video link shall be established so that each Court will be able to simultaneously hear the proceedings in the other Court.
 - (ii) submissions, motions, or applications (collectively, the “Pleadings”) by any party that are become the subject of a Joint Hearing shall be initially filed only with the Court in which such party is appearing and seeking relief. Promptly after the scheduling of any Joint Hearing, the party submitting such Pleading to one Court shall file courtesy copies with the other Court. In any event, Pleadings seeking relief from both Courts shall be filed with both Courts.
 - (iii) any party intending to rely on written evidentiary materials (collectively, the “Evidentiary Materials”) in support of a submission to either Court in connection with any Joint Hearing shall submit such Evidentiary Materials in identical form to each Court. To the fullest extent possible, the Evidentiary Materials filed in each Court shall be consistent with the procedural and evidentiary rules and requirements of each Court;
 - (iv) if a party has not previously appeared in or attorned to the jurisdiction of either Court, it shall be entitled to submit Pleadings or Evidentiary Materials in connection with the Joint Hearings without, by the act of such filing alone, being deemed to have attorned to the jurisdiction of such Court, so long as such party does not request any affirmative relief from such Court;
 - (v) the Judge of the U.S. Court and Justice of the Canadian Court who will hear the Joint Hearing may communicate with each other in advance of such Joint Hearing, with or without counsel being present, to: (1) establish guidelines for the orderly submission of Pleadings, Evidentiary Materials and any other papers, and for the rendering of decisions; and (2) address any related procedural; administrative or preliminary matters; and
 - (vi) the Judge of the U.S. Court and Justice of the Canadian Court who will hear the Joint Hearing may communicate with each other after such Joint Hearing, with or without counsel being present, for the purposes of: (1) determining whether consistent rulings can be made by both Courts; (2) coordinating the terms of the Courts’ respective

rulings; and (3) addressing any related procedural or administrative matters.

11. Notwithstanding the terms of paragraphs 9 and 10 above, this Cross-Border Protocol recognizes that the U.S. Court and Canadian Court are independent courts. Accordingly, although the Courts will seek to cooperate and coordinate with each other in good faith to the greatest extent possible, either of the Courts may at any time exercise its independent jurisdiction and authority with respect to: (i) the matters presented to and properly before such Court and (ii) the conduct of the parties appearing in such matters.

12. If one Court has jurisdiction over a matter the determination of which requires the application of the law of the jurisdiction of the other Court, such Court may, without limitation, hear expert evidence on such law or seek the written advice of the other Court, which written advice will be made available to all parties in interest.

E. Recognition of Stays of Proceedings

13. The Canadian Court hereby recognizes the validity of the stay of proceedings and actions against the Debtors and their property under section 362 of the Bankruptcy Code (the "U.S. Stay"). In implementing the terms of this paragraph, the Canadian Court may consult with the U.S. Court regarding: (i) the interpretation and application of the U.S. Stay and any orders of the U.S. Court modifying or granting relief from the U.S. Stay; and (ii) the enforcement of the U.S. Stay in Canada.

14. The U.S. Court hereby recognizes the validity of the stay of proceedings and actions against the Cross-Border Debtors and their property under the CCAA and the Initial Order (the "Canadian Stay"). In implementing the terms of this paragraph, the U.S. Court may consult with the Canadian Court regarding: (i) the interpretation and applicability of the

Canadian Stay and any orders of the Canadian Court modifying or granting relief from the Canadian Stay; and (ii) the enforcement of the Canadian Stay in the United States.

15. Nothing contained herein shall affect or limit the Debtors' or other parties' rights to assert the applicability or non-applicability of the U.S. Stay or the Canadian Stay to any particular proceeding, property, asset, activity or other matter, wherever pending or located.

F. Retention and Compensation of Representatives and Professionals

16. The Cross-Border Representatives shall be subject to the sole and exclusive jurisdiction of the Canadian Court with respect to all matters including: (i) such Cross-Border Representatives' tenure in office; (ii) the retention and compensation of such Cross-Border Representatives; (iii) such Cross-Border Representatives' liability, if any, to any person or entity, including the Cross-Border Debtors and any third parties, in connection with the Insolvency Proceedings; and (iv) the hearing and determination of any other matters relating to the Cross-Border Representatives arising in the Cross-Border Proceedings under the CCAA or other applicable Canadian law. The Cross-Border Representatives, their Canadian and U.S. counsel and any other professionals retained therefor shall not be required to seek approval of their retention, compensation or reimbursement of out-of-pocket expenses in the U.S. Court. Additionally, the Cross-Border Representatives, their counsel and such other Canadian professionals: (a) shall be compensated for their services solely in accordance with the CCAA, the CCAA Order and other applicable laws of Canada or orders of the Canadian Court; and (b) shall not be required to seek approval of their compensation in the U.S. Court.

17. The Monitor Parties shall be entitled to the same protections and immunities in the United States as those granted to them under the CCAA and the CCAA Order. In particular, except as otherwise provided in any subsequent order entered in the Cross-Border Proceedings, the Monitor Parties shall incur no liability or obligations as a result of the CCAA

Order, the appointment of the Monitor, the carrying out of its duties or the provisions of the CCAA and the CCAA Order by the Monitor Parties, except any such liability arising from actions of the Monitor Party constituting gross negligence or willful misconduct.

18. Any U.S. Representatives shall be subject to the sole and exclusive jurisdiction of the U.S. Court with respect to all matters, including: (i) such U.S. Representative's appointment and tenure in office; (ii) the compensation and reimbursement of out-of-pocket costs of such U.S. Representative; (iii) such U.S. Representative's liability, if any, to any person or entity, including the Debtors and any third parties, in connection with the Insolvency Proceedings; and (iv) the hearing and determination of any other matters relating to the U.S. Representatives arising in the Chapter 11 Cases under the Bankruptcy Code or other applicable laws of the United States. The U.S. Representatives, their counsel and any other professionals retained therefor shall not be required to seek approval of their retention in the Canadian Court. Additionally, the U.S. Representatives, their counsel and such other professionals: (i) shall be compensated for their services solely in accordance with the Bankruptcy Code and other applicable laws of the United States or orders of the U.S. Court; and (ii) shall not be required to seek approval of their compensation in the Canadian Court.

19. Any Canadian professionals, including, without limitation, the Canadian counsel retained by the Debtors (collectively, the "Canadian Professionals") shall be subject to the sole and exclusive jurisdiction of the Canadian Court. Accordingly, the Canadian Professionals: (i) shall be subject to the procedures and standards for the retention and compensation of professionals that are applicable in the Canadian Court under the CCAA, the CCAA Order and any other applicable Canadian law or orders of the Canadian Court; and (ii) shall not be required to seek approval of their retention or compensation in the U.S. Court.

20. Any U.S. Professionals, including, without limitation, counsel and financial advisors retained by the Debtors in the United States (collectively, the “U.S. Professionals”) shall be subject to the sole and exclusive jurisdiction of the U.S. Court. Accordingly, the U.S. Professionals: (i) shall be subject to the procedures and standards for retention and compensation applicable in the U.S. Court under the Bankruptcy Code and any other applicable laws of the United States or orders of the U.S. Court; and (ii) shall not be required to seek approval of their retention or compensation in the Canadian Court.

G. Notice Procedures

21. Notice of any motion, application or other Pleading or paper filed in one or both of the Insolvency Proceedings involving or relating to matters addressed by this Cross-Border Protocol and notice of any related hearings or other proceedings shall be given by appropriate means (including, where circumstances warrant, by courier, facsimile or other electronic forms of communication) to the following: (i) all creditors and other interested parties, including the Committee, in accordance with the practice of the jurisdiction where the papers are filed or the proceedings are to occur; and (ii) to the extent not otherwise entitled to receive notice under clause (a) of this paragraph 21, counsel to the Debtors, the U.S. Trustee, the Monitor and such other parties as may be designated by either of the Courts from time to time. When any Pleading that has a cross-border effect is filed by either the U.S. Debtors or the Cross-Border Debtors in the Chapter 11 Cases or the Cross-Border Proceedings, respectively, the Debtors or the Cross-Border Debtors, as applicable, shall serve such papers promptly on counsel for the other Debtors and Cross-Border Debtors, the U.S. Trustee, the Monitor, and such other parties as may be designated by either of the Courts from time to time. Notice in accordance with this paragraph shall be given by the party otherwise responsible for effecting notice in the jurisdiction where the underlying papers are filed or the proceedings are to occur. In addition to

the foregoing, upon request, the U.S. Debtors or the Cross-Border Debtors shall provide the U.S. Court or the Canadian Court, as the case may be, with copies of all or any orders, decisions, opinions or similar papers issued by the other Court in the Insolvency Proceedings. When any cross-border issues or matters addressed by this Cross-Border Protocol are to be addressed before a Court, notice shall be provided in the manner and to the parties referred to herein.

H. Effectiveness; Modification

22. This Cross-Border Protocol shall become effective only upon its approval by both the U.S. Court and the Canadian Court.

23. This Cross-Border Protocol may not be supplemented, modified, terminated or replaced in any manner except upon the approval of both the U.S. Court and the Canadian Court after notice and a hearing. Notice of any legal proceedings to supplement, modify, terminate or replace this Cross-Border Protocol shall be given in accordance with paragraph 21 above.

I. Procedures for Resolving Disputes under the Cross-Border Protocol

24. Disputes relating to the terms, intent or application of this Cross-Border Protocol may be addressed by interested parties to either the U.S. Court, the Canadian Court or both Courts upon notice in accordance with paragraph 21 above. In rendering a determination in any such dispute, the Court to which the issue is addressed: (i) shall consult with the other Court; and (ii) may, in its sole and exclusive discretion, either: (a) render a binding decision after such consultation; (b) defer to the determination of the other Court by transferring the matter, in whole or in part, to such other Court; or (c) seek a joint hearing of both Courts in accordance with paragraph 10 above. Notwithstanding the foregoing, in making a determination under this paragraph, each Court shall give due consideration to the independence, comity and inherent jurisdiction of the other Court established under existing law.

25. In implementing the terms of the Cross-Border Protocol, the U.S. Court and the Canadian Court may, in their sole, respective discretion, provide advice or guidance to each other with respect to legal issues in accordance with the following procedures:

- (a) the U.S. Court or the Canadian Court, as applicable, may determine that such advice or guidance is appropriate under the circumstances;
- (b) the Court issuing such advice or guidance shall provide it to the other Court in writing;
- (c) copies of such written advice or guidance shall be served by the applicable Court in accordance with paragraph 21 above;
- (d) the Courts may jointly decide to invite the Debtors, the Committee, the Representatives, the U.S. Trustee and any other interested party to make submissions to the appropriate Court in response to or in connection with any written advice or guidance received from the other Court; and
- (e) the provisions of this paragraph 25 shall not be construed to restrict the ability of either Court to confer with the other Court as provided in paragraph 10 above whenever it deems it appropriate to do so.

J. Preservation of Rights

26. Except as specifically provided herein, neither the terms of this Cross-Border Protocol nor any actions taken under this Cross-Border Protocol shall: (i) prejudice or affect the powers, rights, claims and defenses of the Debtors and their respective estates, the Committees, the Representatives, the U.S. Trustee, the Monitor or any of the Debtors' creditors under applicable law, including the Bankruptcy Code, the CCAA and the orders of the Courts; or (ii) preclude or prejudice the rights of any person to assert or pursue such person's substantive rights against any other person under the applicable laws of Canada or the United States.

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SMURFIT-STONE CONTAINER
CORPORATION, et al.,¹

Debtors.

Chapter 11

Case No. 09-10235 (BLS)

Jointly Administered

Ref. Docket No. ____

ORDER APPROVING CROSS-BORDER INSOLVENCY PROTOCOL

Upon the Motion² of the above-captioned Debtors for entry of an order approving that certain cross-border insolvency protocol attached to the Motion as Exhibit A (the “Cross-Border Protocol”); and upon consideration of the Motion and all pleadings related thereto; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby:

ORDERED, that the Motion is granted; and it is further

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Smurfit-Stone Container Corporation (1401), Smurfit-Stone Container Enterprises, Inc. (1256), Calpine Corrugated, LLC (0470), Cameo Container Corporation (5701), Lot 24D Redevelopment Corporation (6747), Atlanta & Saint Andrews Bay Railway Company (0093), Stone International Services Corporation (9630), Stone Global, Inc. (0806), Stone Connecticut Paperboard Properties, Inc. (8038), Smurfit-Stone Puerto Rico, Inc. (5984), Smurfit Newsprint Corporation (1650), SLP Finance I, Inc. (8169), SLP Finance II, Inc. (3935), SMBI Inc. (2567), Smurfit-Stone Container Canada Inc. (3988), Stone Container Finance Company of Canada II (1587), 3083527 Nova Scotia Company (8836), MBI Limited/Limitée (6565), Smurfit-MBI (1869), 639647 British Columbia Ltd. (7733), B.C. Shipper Supplies Ltd. (7418), Specialty Containers Inc. (6564), SLP Finance General Partnership (9525), Francobec Company (7735), and 605681 N.B. Inc. (1898). The Debtors’ corporate headquarters are located at, and the mailing address for each Debtor is, 150 North Michigan Avenue, Chicago, Illinois 60601.

² Capitalized terms used but not defined herein have the meanings assigned to such terms in the Motion.

ORDERED, that the Cross-Border Protocol is hereby approved in all respects;
and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all
matters arising from the implementation of this Order.

Dated: Wilmington, Delaware
_____, 2009

UNITED STATES BANKRUPTCY JUDGE