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Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

<hr/>	
In re:) Chapter 11
)
TOYS "R" US, INC., <i>et al.</i> , ¹) Case No. 17-34665 (KLP)
)
Debtors.) (Jointly Administered)
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**NOTICE OF MOTION AND NOTICE
OF HEARING ON MOTION FOR EXPEDITED
HEARING ON DEBTORS' OMNIBUS MOTION FOR
ENTRY OF ORDERS: (I) AUTHORIZING THE DEBTORS TO
WIND-DOWN U.S. OPERATIONS, (II) AUTHORIZING THE DEBTORS TO
CONDUCT U.S. STORE CLOSINGS, (III) ESTABLISHING BIDDING PROCEDURES
FOR THE SALE OF THE DEBTORS' CANADIAN EQUITY, (IV) ENFORCING AN
ADMINISTRATIVE STAY AND (IV) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (collectively, the "Debtors"), have filed with the Court, the *Debtors' Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors' service address is One Geoffrey Way, Wayne, New Jersey 07470.

the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors' Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief, (the "Wind-Down Motion") and are filing, herewith, the Motion for Expedited Hearing on Debtors' Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closing, (III) Establishing Bidding Procedures for the Sale of the Debtors' Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief (the "Motion to Expedite") and, together with the Wind-Down Motion, the "Motions").

PLEASE TAKE FURTHER NOTICE THAT your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in these bankruptcy cases. (If you do not have an attorney, you may wish to consult one.)

PLEASE TAKE FURTHER NOTICE THAT in connection with the chapter 11 cases, an Order (I) *Establishing Certain Notice, Case Management and Administrative Procedures* (II) *Granting Related Relief* [Docket No. 129] (the "Case Management Order") was entered by the Court on September 20, 2017, which, among other things, prescribes the manner in which objections must be filed and served and when hearings will be conducted. A copy of the Case Management Order may be obtained at no charge at <https://cases.primeclerk.com/ToysRUs> or for a fee via PACER at <http://www.vaeb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT if you do not timely file and serve a written objection to the relief requested in the Motion, consistent with the Debtors' Case Management Order, the Court may deem any opposition waived, treat the Motion as conceded and enter an order granting the relief requested in the Motion without further notice or a hearing.

PLEASE TAKE FURTHER NOTICE THAT the Debtors have requested that if a party wishes to oppose the Motions, then such opposition must be filed as soon as possible (the "Objection Deadline"), by filing with the Court, at the address shown below, a written objection pursuant to Local Bankruptcy Rule 9013-1 and the Case Management Order:

Clerk of the Court
United States Bankruptcy Court
701 East Broad Street
Richmond, Virginia 23219

PLEASE TAKE FURTHER NOTICE THAT in accordance with the Case Management Order, you must also serve a copy of your written objection on the Core Group, the 2002 List and the Affected Entities, as such terms are defined in the Case Management Order, **as soon as possible and prior to the hearing on the Motions.**

PLEASE TAKE FURTHER NOTICE THAT the Debtors have requested that the Motions be heard on an expedited basis on **March 20, 2018 at 12:00 p.m.**, prevailing Eastern Time (or such other time as may be set for the omnibus hearing held on that date). If you fail to file timely a written response and to attend the hearing, even if a response is timely filed, the Court may consider any objection you may have waived and enter an order granting the relief requested.

PLEASE TAKE FURTHER NOTICE THAT you should consult the Case Management Order before filing any written objection to the Motions.

[Remainder of page intentionally left blank]

Richmond, Virginia
Dated: March 15, 2018

/s/ Jeremy S. Williams

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Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)
) Chapter 11
)
TOYS “R” US, INC., *et al.*,¹) Case No. 17-34665 (KLP)
)
) Debtors.) (Jointly Administered)
)

**MOTION FOR EXPEDITED
HEARING ON DEBTORS’ OMNIBUS MOTION
FOR ENTRY OF ORDERS: (I) AUTHORIZING THE DEBTORS TO
WIND-DOWN U.S. OPERATIONS, (II) AUTHORIZING THE DEBTORS TO
CONDUCT U.S. STORE CLOSINGS, (III) ESTABLISHING BIDDING PROCEDURES
FOR THE SALE OF THE DEBTORS’ CANADIAN EQUITY, (IV) ENFORCING AN
ADMINISTRATIVE STAY AND (V) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), request the entry of an order, substantially in the form annexed hereto as **Exhibit A**, granting an expedited hearing (the “Motion to Expedite”) pursuant to Rule 9006(c) of the Federal Rules of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting*

Bankruptcy Procedure and the *Order (I) Establishing Certain Notice, Case Management and Administrative Procedures and (II) Granting Related Relief* [Docket No. 129] (the “Case Management Order”) to consider the *Debtors’ Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief* (the “Wind-Down Motion”). Pursuant to the Local Rules of this Court, the Debtors state the following as the basis for the relief sought herein:

Expedited Hearing on Wind-Down Motion

1. The Debtors secured over \$3.1 billion in three separate debtor-in-possession financing facilities (collectively, the “DIP Facilities”) in the first days of these Chapter 11 cases in order to, among other things, reopen their global supply chain to prepare for the all-important holiday season. Despite the best efforts of the company’s management and employees, 2017 holiday sales fell short, producing EBITDA nearly \$250 million below DIP budget projections and historic holiday-season performance levels.

2. A combination of factors contributed to the Debtors’ poor holiday-season performance, including: (i) delays and disruption associated with reopening the supply chain in chapter 11 and during the holiday season, (ii) diversified competitors including Target, Walmart, and Amazon pricing toys at low-margins or as loss leaders; prices at which the Debtors could not compete because they rely exclusively on toys for profit, (iii) a greater than expected decline in toy and gift card sales following the chapter 11 filing, and (iv) the Debtors’ inability to offer online prices or shipping on more attractive terms than their competitors.

Related Relief [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

3. The Debtors' efforts to find a potential investor or financial or strategic buyer for all or any subset of the Debtors' U.S. operations has yet to yield results. And, as a result of the poor holiday-season performance, the Debtors cannot satisfy the obligation under one of their DIP credit agreements to deliver a reasonable, good-faith budget that projects liquidity levels no lower than the original DIP budget. Based on ongoing conversations, further waiver of this covenant default is unobtainable. As a result, time is of the essence to mitigate losses and maximize recoveries to U.S. stakeholders. Therefore, the Debtors regrettably must move forward with implementing a wind-down while simultaneously pursuing a going-concern sale of the Canadian operations.

4. Accordingly, pursuant the Wind-Down Motion, the Debtors are taking the prudent and responsible step of seeking authority to begin an immediate and orderly liquidation of their U.S. business and to sell the Debtors' equity interest in the Canadian operations. Such relief is needed on an expedited basis to ensure the Debtors are able to maximize the value of their assets and minimize the disruption to their foreign operations.

Notice Period

5. The Debtors hereby request that a hearing be set on the Wind-Down Motion for March 20, 2018 at 12:00 p.m., prevailing Eastern Time (or such other time as may be set for the omnibus hearing held on that date), or as soon as the Court is available thereafter.

6. Given the totality of the circumstances and nonprejudicial effect of the relief requested, the Debtors request that the Court reduce the notice period as provided for herein.

7. A certification as required under the Local Rules is made a part of this motion.

Notice Parties

8. Notice of this Motion to Expedite has been given to the Core Group, the 2002 List and Affected Entities as required by the Case Management Procedures.² In light of the nature of the relief requested, the Debtors respect

9. The Debtors respectfully submit that no further notice is required.

[Remainder of page intentionally left blank]

² Capitalized terms used in this paragraph but not otherwise defined herein shall have the meanings set forth in the Case Management Order.

WHEREFORE, the Debtors request the Court to grant an expedited hearing with respect to the Motion and award any further relief the Court deems proper.

Richmond, Virginia
Dated: March 15, 2018

/s/ Jeremy S. Williams

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CERTIFICATION

Pursuant to the Local Rules of this Court, I certify that:

1. I am a member of the Bar of this Court.
2. I have carefully examined this matter and have concluded that there is a true need for an emergency hearing.
3. I have not created the emergency through the lack of diligence.
4. A *bona fide* effort to resolve the matter could not be made without a hearing.

/s/ Jeremy S. Williams_____

EXHIBIT A

Proposed Order

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**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 RICHMOND DIVISION**

In re:)	
)	Chapter 11
)	
TOYS “R” US, INC., <i>et al.</i> , ¹)	Case No. 17-34665 (KLP)
)	
Debtors.)	(Jointly Administered)
)	

ORDER GRANTING MOTION FOR EXPEDITED HEARING

THIS MATTER comes before the Court upon the *Motion for Expedited Hearing on Debtors’ Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity, (IV) Enforcing an Administrative Stay, and (V) Granting Related Relief*, filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”), and this Court having found that it has

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion to Expedite in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion to Expedite is in the best interests of the Debtors' estates, its creditors, and other parties in interest; and the Debtors having provided appropriate notice of the Motion to Expedite and the opportunity for a hearing on the Motion to Expedite under the circumstances; and this Court having reviewed the Motion to Expedite; and this Court having determined that the legal and factual bases set forth in the Motion to Expedite establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion to Expedite is granted as set forth herein.
2. The *Debtors' Omnibus Motion for Entry of Orders: (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors' Canadian Equity, (IV) Enforcing an Administrative Stay, and (V) Granting Related Relief*, (the "Wind-Down Motion") shall be heard on an expedited basis at the hearing scheduled for March 20, 2017, at 12:00 p.m., prevailing Eastern Time (or such other time as may be set for the omnibus hearing held on that date).
3. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion to Expedite.

4. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Richmond, Virginia

THE HONORABLE KEITH L. PHILLIPS
UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

/s/ Jeremy S. Williams

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CERTIFICATION OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Jeremy S. Williams