

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF STERLING SHOES INC. and STERLING SHOES GP INC.

FOURTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

July 26, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED
AND
IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44
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IN THE MATTER OF STERLING SHOES INC. and STERLING SHOES GP INC.

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1.0 INTRODUCTION

- 1.1 Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Monitor**") was appointed as Monitor pursuant to the order (the "**Initial Order**") pronounced by this Honourable Court on October 21, 2011 on the application of Sterling Shoes Inc. and Sterling Shoes GP Inc. ("**Sterling GP**") (together, the "**Petitioners**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings brought by the Petitioners under the CCAA will be referred to herein as the "**CCAA Proceedings**". The Petitioners and Sterling Shoes Limited Partnership (the "**Partnership**") will be referred to herein as the "**Petitioner Parties**" or the "**Company**".
- 1.2 On April 2, 2012, on the application of the Petitioner Parties, this Honourable Court made an order (the "**Claims Process Order**") approving, among other things, a claims process (the "**Claims Process**") for the determination of the nature and quantum of claims against the Petitioner Parties.
- 1.3 On December 12, 2012, on the application of the Petitioner Parties, this Honourable Court made an order permitting the Company to make one or more distributions to the creditors of Sterling GP and the Partnership (the "**Distribution Order**").
- 1.4 On January 25, 2013, this Honourable Court ordered that the Monitor be fully authorized and empowered to manage and carry on all aspects of the business, financial affairs and operations of the Company, including by taking any steps as, in the sole opinion of the Monitor, are necessary and appropriate to complete the Claims Process, to make distributions to creditors in accordance with the Distribution Order, and to allow the Monitor to discharge or exercise its rights, powers or duties, or to complete the administration of the CCAA Proceedings.
- 1.5 On June 27, 2013, this Honourable Court approved an extension of the stay of proceedings provided in the Initial Order and subsequent orders to August 30, 2013.
- 1.6 The Monitor has filed a notice of application dated July 26, 2013 (the "**Notice of Application**") seeking orders, *inter alia*, to approve the activities of the Monitor, approving the Monitor's fees and disbursements (including those of its legal counsel), discharging the Monitor, and releasing the Monitor (and its directors, officers and employees) from any liability in respect of the Monitor's acts or omissions in its capacity as monitor in the CCAA Proceedings. In support of the Notice of Application, the Monitor is relying on this report and the appendices hereto.

- 1.7 The Initial Order, together with the Notice of Application, this report and other documentation filed in the CCAA, will be posted on the Monitor's website at www.alvarezandmarsal.com/sterling.

2.0 PURPOSE OF REPORT

- 2.1 This is the Monitor's fourteenth report (the "**Fourteenth Report**") and it has been prepared to provide this Honourable Court and the Company's stakeholders with the following:
- a) a summary of the Monitor's activities from September 20, 2011 to July 26, 2013, the date of this Fourteenth Report;
 - b) information on the Monitor's professional fees and disbursements as well as the fees and disbursements of the Monitor's legal counsel, Fasken Martineau DuMoulin LLP ("**Fasken**");
 - c) an update on the Claims Process and the payment of the proposed final distribution to creditors on or around August 9, 2013;
 - d) a review of the Company's statement of receipts and disbursements for the period from October 21, 2011 up to and including payment of the final distribution in or around early August 2013. The statement of receipts and disbursements includes an estimate of the administration costs and professional fees to complete the Monitor's obligations; and
 - e) the Monitor's recommendation with respect to the Notice of Application.

3.0 TERMS OF REFERENCE

- 3.1 Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.
- 3.2 Capitalized terms used but not defined in this report shall have the meanings ascribed to them in prior Monitor's reports and/or other materials filed with respect to the CCAA Proceedings.

4.0 SUMMARY OF THE MONITOR'S ACTIVITIES

- 4.1 During the period from September 20, 2011 (when A&M commenced work as the Proposed Monitor of the Petitioners) until October 21, 2011 (the date of the Initial Order), and subsequently, the principal activities of the Proposed Monitor and the Monitor have included the following:
- (a) preparation of the Proposed Monitor's Pre-Filing Report dated October 21, 2011, including review of drafts of same with the Proposed Monitor's legal counsel, Fasken, and legal counsel to the Petitioners, Blake Cassels & Graydon LLP ("**Blakes**");

- (b) attendance at numerous meetings and discussions with the Petitioner's senior management and Blakes regarding the Company's business and financial affairs, and operational restructuring activities, and other matters relating to the CCAA Proceedings;
- (c) review of drafts of the Initial Order and subsequent orders and related Court materials (including various affidavits of Daniel Gumprich, former Chief Financial Officer of the Company), prepared by Blakes;
- (d) review of the Company's business plan, discussions with Bank of Montreal ("**BMO**") on various extensions of the forbearance agreement and ongoing discussions with the BMO's legal counsel and consultants;
- (e) review of agency agreements entered into between the Company and Century Services LP and Great American Group, LLC for the sale of all merchandise at 89 stores which were closed by Sterling;
- (f) review of various operational restructuring initiatives undertaken by the Petitioners including termination of various employees, and termination and settlement of various real estate leases relating to stores and head office premises;
- (g) preparation for and attendance at various meetings of the Board of Directors of Sterling Inc. as well as numerous discussions with legal counsel to the Board of Directors, Davis LLP;
- (h) review and consideration of various legal and financial analyses prepared by the Company's advisors in support of the Restructuring and Sale Process including various valuation and cash flow liquidity models prepared by Capital West Partners ("**Capital West**") and Richter Consulting Inc.;
- (i) monitoring the solicitation process (the "**Solicitation Process**") conducted by the Company in conjunction with its financial advisors, Capital West. The Solicitation Process was approved by this Honourable Court on December 9, 2011 and ultimately resulted in the sale of 69 stores to Town Shoes Limited. During the Solicitation Process, the Monitor worked closely with the Company and Capital West to review confidentiality agreements, bid and data room documentation, preliminary and final offers, the Asset Purchase Agreement, the final working capital adjustment and the Settlement Agreement;

- (j) preparation and issuance of statutory notices required under the CCAA, the Initial Order, the Claims Process Order, the Distribution Order and the following creditor communications and notices:
 - i. publication of notices to creditors in The Globe and Mail on October 28 and November 4, 2011;
 - ii. mailing of notices in the prescribed form (as referenced in paragraph 42 of the Initial Order) on October 26, 2012 to approximately 534 creditors and potential creditors of the Petitioners regarding the CCAA Proceedings, and posting copies of same on the Monitor's website;
 - iii. issuing notices to employees on various dates;
 - iv. issuing Form 1 and 2 notices in the prescribed form, as required under section 23(1)(f) of the CCAA, to the Office of the Superintendent of Bankruptcy; and
 - v. dispatching claims packages to pre-filing creditors, landlords, employees and the trustee of the Subordinated Notes pursuant to the Claims Process Order;
- (k) receipt, review and reconciliation of a total of 638 Proofs of Claim as well as the development and maintenance of a Proofs of Claim register, and dealing with numerous enquiries from various pre-filing creditors, employees, landlords and other interested parties in respect of Proofs of Claim filed. As a result of the Claims Process conducted by the Company in conjunction with the Monitor:
 - i. submitted pre-filing claims of \$15.8 million resulted in Allowed Claims of \$14.9 million;
 - ii. submitted landlords claims of \$37.6 million resulted in Allowed Claims of \$5.3 million; and
 - iii. submitted employee claims of \$4.3 million resulted in Allowed Claims of \$3.0 million.
- (l) preparation and review of 226 Notices of Revision or Disallowance which were issued to 11 pre-filing creditors, 66 landlords and 149 employees;
- (m) review of Notices of Disclaimer issued to landlords, oversight of negotiations with landlords, review of Proofs of Claim submitted by landlords, issuance of Notices of Revision or Disallowance to landlords, receipt and review of Notices of Dispute and requesting additional information from landlords with respect to their claims (including

details of replacement leases entered into and other efforts to mitigate their losses) and issuing revised settlement offers to landlords;

- (n) review of Notices of Dispute received from various employees and requesting additional information from employees in support of their claims;
- (o) calculation and dispatch of cheques in respect of an interim distribution on or around February 15, 2013 (the “**Interim Distribution**”) to 610 creditors of the Partnership and Sterling GP representing 40% of their Allowed Claims which in aggregate represented a cash distribution of \$9.01 million;
- (p) following expansion of the Monitor’s powers by the Order of January 25, 2013, administration of the Company’s affairs, including payment of expenses and participating in discussions with the Canada Revenue Agency (“**CRA**”) on outstanding HST/GST and withholding tax issues;
- (q) preparation of fourteen separate Monitor’s Reports providing updates on the CCAA Proceedings and seeking this Honourable Court’s approval for certain activities;
- (r) on-going monitoring of the business and financial affairs of the Petitioners in accordance with the CCAA Proceedings;
- (s) establishment and maintenance of the Monitor’s website throughout the CCAA Proceedings; and
- (t) attending to various and periodic enquiries from creditors, employees, and suppliers and other parties regarding the administration of the CCAA Proceedings generally.

5.0 **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

5.1 The Company’s cash receipts and disbursements for the 95 week period from October 16, 2011 to August 9, 2013 (including forecast receipts, professional fees and other expenses in order to finalize the administration of the CCAA Proceedings), are set out as an Appendix “A”.

5.2 In summary, since the commencement of the CCAA Proceedings, the Company had total receipts of \$96.7 million from sales of goods, liquidation proceeds and the sale of the assets to Town Shoes Limited. The total operating expenses (including vendor, payroll and rent expenses) were \$62.5 million resulting in a net cash flow from operation of \$34.2 million. After payment of the opening bank indebtedness of \$14.3 million and other bank fees of \$0.9 million, total professional fees of \$5.1 million (which include the Monitor, its legal counsel, the Company’s legal counsel, Capital West and BMO’s legal and financial advisors), and any other expenses, the remaining

balance will be distributed to creditors. It is currently expected that the total amount distributed to holders of Allowed Claims will be \$13.8 million inclusive of the \$9.0 million paid by way of the Interim Distribution.

6.0 SUMMARY OF CREDITOR CLAIMS

6.1 A summary of creditor claims is set forth in the following table. As at the date of this Fourteenth Report, all claims have been resolved.

Sterling Shoes Limited Partnership and Sterling Shoes GP Inc. Summary of Creditor Claims As At July 20, 2013 (\$000's)			
	Number of Claims Received	Allowed Claims	Amount of Allowed Claims (\$000's)
Pre-filing Claims	405	393	\$14,912
Restructuring Claims:			
Employee Claims	164	154	2,983
Landlord Claims	69	61	5,276
Director and Officer Claims	-	-	-
Total	638	608	\$23,171

- 6.2 To date, no claims have been filed against any Directors or Officers of the Petitioners.
- 6.3 As stated in previous reports of the Monitor, the Company does not intend to make any distribution to the creditors of Sterling Shoes, Inc. which primarily are holders of convertible debentures.

7.0 PROFESSIONAL FEES

7.1 Summarized in the table below are the professional fees and disbursements of the Monitor and Fasken (and applicable taxes) for the period from September 20, 2011 to June 30, 2013.

Sterling Shoes, Inc. Summary of Professional Fees and Disbursements For the Period from September 20, 2013 to June 30, 2013					
Firm	Fees	Disbursements	HST/Taxes	Total	
Alvarez & Marsal Canada Inc.	\$ 1,329,660.25	\$ 21,305.90	\$ 156,212.94	\$ 1,507,179.09	
Fasken Martineau DuMoulin LLP	207,808.00	4,919.79	25,472.12	238,199.91	

- 7.2 Attached as Appendix "B" is a summary of the Monitor's professional fees and disbursements for the period ending June 30, 2013 which total \$1,507,179.09, including out of pocket disbursements of \$21,305.90 and applicable taxes of \$156,212.94.
- 7.3 Attached as Appendix "C" is a summary of the Monitor's total professional fees indicating, name, title, hourly rate and hours charged by the Monitor's professional staff and details of its out of pocket disbursements for the period ending June 30, 2013. The Monitor's detailed statements of account for the period from September 20, 2011 to June 30, 2013 are appended to Appendix "C".
- 7.4 Attached as Appendix "D" is a summary of the professional fees and disbursements charged by the Monitor's legal counsel, Fasken, for the period ending June 30, 2013, which total \$238,199.91 including out of pocket disbursements of \$4,919.79 and applicable taxes of \$25,472.12. The statements of accounts supporting these costs are appended to Appendix "D".
- 7.5 The Monitor and Fasken anticipate incurring additional fees and disbursements of approximately \$90,000 (exclusive of applicable taxes) to finalize the distribution (as discussed in section 8.0 below), deal with various queries expected from creditors and other interested parties after the final distribution has been made, and complete the administration of the CCAA Proceedings.
- 7.6 The Monitor is of the view that its professional fees and disbursements have been properly incurred and are fair and reasonable in the circumstances, as are its estimated fees and disbursements associated with the discharge of its duties as Monitor and completion of the administration of the CCAA Proceedings.
- 7.7 The Monitor also considers that the fees and disbursements charged by Fasken have been necessarily incurred and that the hours and rates charged are fair and reasonable given the circumstances, as are Fasken's estimated fees and disbursements to the completion of this matter.
- 7.8 The Petitioners approved all Monitor's fees for the period up to December 31, 2012 when the final employee, Daniel Gumprich, resigned. The Monitor is not aware of any creditor or any stakeholder in the CCAA Proceedings that has taken issue with the professional fees charged in this matter to date.

8.0 FINAL DISTRIBUTION

- 8.1 This Honourable Court made the Distribution Order on December 12, 2012, permitting the Company to make one or more distributions to creditors having Allowed Claims against Sterling GP or the Partnership.

- 8.2 As noted above, on or around February 15, 2013, the Monitor (pursuant to the terms of the Order pronounced on January 25, 2013) made the Interim Distribution to the holders of Allowed Claims against Sterling GP or the Partnership. The total amount of the Interim Distribution was \$9.01 million representing 40.0% of Allowed Claims which were eligible for distribution as of that date.
- 8.3 As of the date of this report, 21 of the cheques dispatched by the Monitor on account of the Interim Distribution, representing distributions of \$52,000, have not yet been presented for payment and/or cleared the Monitor's trust bank accounts. The Monitor will continue to monitor its bank accounts and follow up with the specific creditors.
- 8.4 As summarized in the table below, based on the latest available information, the Monitor's calculations indicate that the total distribution to creditors will be 59.6%, representing a further final distribution of 19.6% to creditors with Allowed Claims over and above the Interim Distribution of 40.0%. ¹

Sterling Shoes Limited Partnership and Sterling Shoes GP Inc.		
Final Distribution to Creditors		
(\$000's)		
	<u>\$</u>	<u>%</u>
Total Allowed Claims:		
Pre-filing claims	14,912	
Restructuring claims		
Landlords	5,276	
Employees	2,983	
Total Allowed Claims	<u>23,171</u>	
Proceeds Available for Final Distribution scheduled for August 9, 2013	4,802	20.7%
Interim Distribution Paid	<u>9,011</u>	<u>38.9%</u>
Total Distribution to Creditors	<u>13,813</u>	<u>59.6%</u>

- 8.5 The final distribution to Creditors may vary from the above estimate due to unforeseen receipts and expenses.

¹ The difference between the interim distribution percentages of 40.0% and 38.9% shown in the above table is due to a number of claims which were not being eligible for payment of the first interim distribution which will now be included in the final distribution.

9.0 OUTSTANDING MATTERS

- 9.1 The Monitor continues to work with CRA to finalize certain HST/GST, interest and penalty refunds due to the Company. The Monitor expects to be able to resolve these remaining issues shortly and in advance of making the final distribution which is expected in or around August 9, 2013. In addition, the Monitor expects that there will continue to be minor residual issues to deal with after the final distribution has been made.

10.0 DISMISSAL OF THE CCAA AND RELEASE OF THE MONITOR

- 10.1 Except for the matters addressed herein, all matters pertaining to the Initial Order have been attended to by the Monitor and there are no apparent outstanding issues in the CCAA Proceedings. As a result, the Monitor is seeking to be discharged of its duties pursuant to the CCAA Proceedings.
- 10.2 The Monitor will be seeking a release and discharge from any and all liabilities arising out of its activities as Monitor during the pendency of the CCAA Proceedings. It is the view of the Monitor that such a release is justified and reasonable given the unique circumstances surrounding these proceedings including:
- (a) Sterling Shoes Inc. is a publicly listed entity with publicly traded debt securities;
 - (b) The Petitioners' enterprise was significant in scale and spanned many provincial jurisdictions in Canada with a large employee base (in excess of 1,000 employees at the date of the Initial Order);
 - (c) The Monitor assumed and/or had its powers expanded to perform certain activities previously undertaken by the Company's Officers and Directors all of whom resigned in December 2012/January 2013; and
 - (d) The Monitor has been involved directly and/or indirectly in the determination of a large number of high value creditor claims some of which involved contentious negotiation and has completed a liquidation of the Company's assets and a material distribution to unsecured creditors in the CCAA Proceedings.

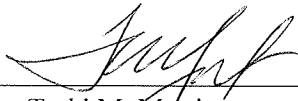
11.0 MONITOR'S RECOMMENDATIONS

11.1 The Monitor recommends that this Honourable Court grant the following:

- (a) an order approving the Monitor's activities in the CCAA Proceedings;
- (b) an order approving the Monitor's fees and disbursements and those of its legal counsel;
- (c) an order discharging the Monitor as monitor in the CCAA Proceedings; and
- (d) an order releasing the Monitor (and its directors, officers and employees) from any liability in respect of the Monitor's acts and omissions in its capacity as Monitor in the CCAA Proceedings.

All of which is respectfully submitted to this Honourable Court this 26th day of July, 2013.

**Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of Sterling Shoes Inc.
and Sterling Shoes GP Inc.**



Per: Todd M. Martin
Senior Vice President

Per: Callum D.M. Beveridge
Senior Director

Sterling Shoes Inc. et al.	
Actual Consolidated Cash Flow including forecast to the Final Distribution	
For the 95 Week Period from October 16, 2011 to August 9, 2013	
	October 16, 2011 to August 9, 2013 (Cumulative)
(\$000's)	
Gross sales receipts	\$ 53,020
Cash received on behalf of liquidators (Note 1)	12,870
Inventory liquidation	12,540
Sale of assets	18,323
Receipts (incl. taxes)	96,753
Disbursements	
Vendors	(19,066)
Payroll	(13,329)
Rent	(8,866)
Sales tax	(2,729)
Deposits	(213)
Pre-filing related payments	(1,110)
Other	(5,257)
Amounts paid to liquidators (Note 1)	(12,089)
Total Disbursements	(62,659)
Cash Flow from Operations	34,094
CAPEX	(55)
Professional fees	(5,072)
Interest / Forbearance fee	(884)
Term Loan	-
Cash Flow before Distributions to Creditors	28,083
Distributions to Creditors	
Interim distribution payments to creditors (Note 2)	(9,011)
Proposed final distribution payments to creditors (Note 3)	(4,802)
Total Distributions to Creditors	(13,813)
Net Cash Flow	14,270
Bank Position	
Opening bank exposure (Note 4)	(14,270)
Closing Bank Position	-
Opening balance	\$ (2,344)
(Opened) / Cancelled	(721)
Drawn	3,065
LCs	-
Total Bank Position	\$ -
Notes:	
(1) Cash received on behalf of liquidators and amounts paid to liquidators relate to receipts at stores being liquidated under agency agreements.	
(2) Amounts paid to creditors for an interim distribution on February 15, 2013	
(3) Estimated final distribution to be paid to creditors in or around early August 2013	
(4) Adjustments to opening balances previously reported include cancellation of certain outstanding cheques post filing.	

Sterling Shoes Limited Partnership and Sterling Shoes GP Inc.
Summary of the Monitor's Professional Fees and Disbursements
For the period September 30, 2011 ending June 30, 2013

All amounts are in Canadian dollars

Invoice Number	Period Ended	Fees	Disbursements	HST/GST	Total
1	October 13, 2011	\$ 20,000.00	\$ -		\$ 20,000.00
2	October 20, 2011	39,604.50	-	\$ 4,752.54	44,357.04
3	October 28, 2011	36,456.50	-	\$ 4,374.78	40,831.28
4	November 11, 2011	74,272.50	-	\$ 8,912.70	83,185.20
5	November 19, 2011	60,344.50	5,442.72	\$ 7,894.47	73,681.69
6	December 2, 2011	63,849.00	59.32	\$ 7,669.00	71,577.32
7	December 30, 2011	101,173.00	2,382.10	\$ 12,426.61	115,981.71
8	January 20, 2012	29,434.00	-	\$ 3,532.08	32,966.08
9	February 29, 2012	47,991.75	603.38	\$ 5,831.42	54,426.55
10	March 31, 2012	70,204.50	6,491.72	\$ 9,203.55	85,899.77
11	April 30, 2012	92,583.50	-	\$ 11,110.02	103,693.52
12	May 31, 2012	99,067.00	1,348.74	\$ 12,049.89	112,465.63
13	June 30, 2012	43,132.00	75.84	\$ 5,184.94	48,392.78
14	August 31, 2012	103,558.50	-	\$ 12,427.02	115,985.52
15	September 30, 2012	37,195.50	1,450.00	\$ 4,637.46	43,282.96
16	October 31, 2012	54,174.50	377.65	\$ 6,546.26	61,098.41
17	November 30, 2012	61,289.50	206.93	\$ 7,379.57	68,876.00
18	December 31, 2012	59,921.00	130.35	\$ 7,206.16	67,257.51
19	January 31, 2013	87,827.00	132.95	\$ 10,555.19	98,515.14
20	February 28, 2013	68,182.50	2,140.94	\$ 8,438.81	78,762.25
21	March 31, 2013	29,704.00	115.36	\$ 3,578.32	33,397.68
22	April 30, 2013	24,692.50	75.86	\$ 1,238.42	26,006.78
23	May 31, 2013	11,117.50	101.27	\$ 560.94	11,779.71
24	June 30, 2013	13,885.00	170.77	\$ 702.79	14,758.56
		<u>\$ 1,329,660.25</u>	<u>\$ 21,305.90</u>	<u>\$ 156,212.94</u>	<u>\$ 1,507,179.09</u>

Sterling Shoes Limited Partnership and Sterling Shoes GP Inc.
Summary of the Monitor's Professional Fees and Disbursements by Professional staff
For the period September 30, 2011 ending June 30, 2013

All amounts are in Canadian dollars

Alvarez & Marsal Canada Inc.					
Name	Position	Blended Hourly Rate	Hours	Total Fees	
Todd Martin	Managing Director	\$ 594.96	756.40	\$ 450,028.25	
Pam Boparai	Managing Director	450.00	351.05	157,972.50	
Peter Gibson	Senior Advisor	450.00	1.50	675.00	
Callum Beveridge	Senior Director	377.04	1,136.00	428,317.50	
Andrea Yandreski	Senior Director	450.00	5.90	2,655.00	
Elese Allin	Director	350.00	6.30	2,205.00	
Orest Konowalchuk	Director	350.00	11.00	3,850.00	
Stephen Moore	Director	350.00	2.50	875.00	
Tom Powell	Director	315.52	554.60	174,990.00	
Vicki Chan	Senior Associate	324.00	264.20	85,602.50	
Nick Macoritto	Associate	275.00	13.10	3,602.50	
Adam Noyek	Associate	250.00	14.60	3,650.00	
Jill Strueby	Associate	275.00	5.00	1,375.00	
Marianna Lee	Analyst	200.00	99.85	19,970.00	
Monica Cheung	Executive Assistant	100.00	45.60	4,560.00	
Agreed discount on the Monitor's first invoice dated October 14, 2011				(10,668.00)	
				<u>3,267.60</u>	<u>\$ 1,329,660.25</u>
Disbursements:					
Courier Fees				1,071.83	
Hotels and meals				21.58	
Taxi, train and transportation				1,762.61	
Advertising - newsprint and trade journals				11,998.58	
Monitor web site support				2,375.93	
Printing and postage				<u>4,075.37</u>	
				21,305.90	
HST				153,710.79	
GST				2,502.15	
Total fees, disbursements, HST & GST				<u>\$ 1,507,179.09</u>	

October 14, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period ending October 13, 2011 in connection with our engagement as consultant to Sterling Shoes, Inc. (the "Company") pursuant to our engagement letter dated September 30, 2011 including:

- to attend various meetings with the Company's CEO and CFO and the Company's legal counsel, Blake, Cassels & Graydon;
- to review of the Company's weekly cash flow forecast model and discussion with the Company's management and representative of the Richter Consulting;
- to preparation of various documentation including draft communiqué's to employees and creditors and a communication matrix;
- to review of draft pleadings prepared by the Company's legal counsel;
- to general discussions, telephone conversations, email correspondence and meetings with the Company's management, its Board of Directors, legal counsel and representatives and/or advisors to Bank of Montreal

	<u>Total</u>
Our fee (refer below)	\$20,000.00
HST (12%)	2,400.00
	<u>\$22,400.00</u>

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	19.4	\$595	\$11,543.00
P. Boparai, Senior Director	28.5	450	12,825.00
C. Beveridge, Senior Director	18.0	350	6,300.00
	<u>65.9</u>		<u>\$30,668.00</u>
Less: Agreed discount			<u>(10,668.00)</u>
Net Fee			<u>\$20,000.00</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #1
GST: 83486 3367 RT0001



October 20, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period October 14 to October 20, 2011 in connection with our engagement as consultant to Sterling Shoes, Inc. (the "Company") pursuant to our engagement letter dated September 30, 2011 including:

- to attend various meetings with the Company's CEO and CFO and the Company's legal counsel, Blake, Cassels & Graydon;
- to on-going review of the Company's weekly cash flow forecast model and discussion with the Company's management and representatives of the Richter Consulting;
- to review of draft pleadings prepared by the Company's legal counsel, including draft Initial Order, draft Petition to Court and the draft Affidavit of Daniel Gumprich;
- to review of draft Forbearance Agreement between the Company and Bank of Montreal ("BMO") and necessary emails, conferences and meetings with the Company and its legal counsel;
- to attendance at meeting on October 17, 2011 with representatives of BMO;
- to preparation of draft pre-filing report by A&M in its capacity as Proposed Monitor in potential CCAA Proceedings; and
- to general discussions, telephone conversations, email correspondence and meetings with the Company's management, legal counsel, proposed legal counsel to Proposed Monitor and various other Company representatives.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	25.1	\$595	\$14,934.50
P. Boparai, Senior Director	28.0	450	12,600.00
C. Beveridge, Senior Director	30.2	350	10,570.00
T. Powell, Manager	5.0	300	1,500.00
	<u>88.3</u>		<u>\$39,604.50</u>
Add: HST (12%)			<u>4,752.54</u>
Net Fee			<u>\$44,357.04</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #2
GST: 83486 3367 RT0001



ALVAREZ & MARSAL

November 8, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period October 21 to October 28, 2011 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	12.7	\$595	\$7,556.50
P. Boparai, Senior Director	33.0	450	14,850.00
C. Beveridge, Senior Director	14.0	350	4,900.00
T. Powell, Manager	30.5	300	9,150.00
	<u>90.2</u>		<u>\$36,456.50</u>
Add: HST (12%)			<u>4,374.78</u>
TOTAL INVOICE			<u>\$40,831.28</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #3
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

Todd Martin

Hrs.

October 21	Finalize proposed Monitor's report to Court and forward to Company legal counsel and Fasken Martineau DuMoulin ("FMD"); attend at Court application to hear Company's Petition in support of relief; receipt and review of notes from FMD on its review of security of Bank of Montreal ("BMO"); internal meeting and discussion regarding work streams and general administration of the file;	3.0
October 22	Receipt and review of communication materials to creditors, employees and other; review work plan and tasks for period leading up to comeback hearing; review of various emails;	1.5
October 25	Internal meeting regarding status of file and update on outstanding issues; review of creditors notices and notices to OSB, Forms 1 and 2; review Monitor website; emails to Company and legal counsel re: enquiry of SICA group and other creditors;	3.2
October 26	Review and respond to email from Del Broco at BMO; internal meeting and discussion regarding status of file and update on outstanding issues; review of preliminary actual to forecast cash flow variances; review of daily sales report from Company; meeting and discussion with representative of CapWest Partners regarding status of CCAA proceedings; telephone conversation with third parties interested in assets of the Company; review of creditor listings, newspaper (Globe & Mail) notice and mail out procedures for notice to creditors pursuant to s. 23(1)(a) of CCAA;	1.7
October 27	Internal meeting and discussion regarding status and outstanding issues; review draft agenda for meeting/conference with Company and legal counsel; review of draft communication guide for Buyers;	1.5
October 28	Prepare for and attend at Sterling offices to meet with Company representatives and legal counsel; meeting and discussion with D. Gumprich on various matters; meeting and discussion regarding status and outstanding issues.	1.8

TOTAL - T. Martin

12.7 hrs.

Sterling Shoes, Inc. - 87138

Pam Boparai

Hrs.

October 21	Attendance at court; attendance at Company premises to address meeting with buyers, pre-filing cut-off matters, various discussions with D. Gumprich, D. Alves and F. Tan; prepare for statutory notice requirements and creditors reconciled to internal statements; discuss notice requirements to convertible debentures with Blakes and FMD;	4.0
October 23	Attend to creditor notification matters; draft and circulate revised letter to creditors; discuss cancelled purchase order requests with Blakes; prepare internal work plan for CCAA;	2.5
October 24	Attend to pre-filing cut-off matters; creditor notification matters; meeting with D. Alves and D. Gumprich re: work plan for operational restructuring matters;	5.0
October 25	Review Computershare convertible debenture listing for notice requirements; review proposed disbursements; conference call with SICA and D. Gumprich; attend to various CCAA matters;	3.5
October 26	Attendance at Company to assist with budget to actual analysis; review and reconciliation to weekly BBC as compared to week 1 results; add forbearance covenants to budge to actual analysis; discussion with Richters regarding reporting to bank; review cut-off matters;	7.0
October 27	Attendance at Company regarding pre-filing payment matters; review of operational restructuring matters; review of monthly model with Richters and with Sterling; meeting with G. Tejpar re: HR;	6.0
October 28	Attend to weekly update call with Sterling, Blakes and FMD; attend to lease/real estate meeting with A. Pye, D. Alves, F. Tan; meeting with K. Nairane, D. Alves and D. Gumprich re: work plan development and operational restructuring plan.	5.0
TOTAL – P. Boparai		33.0 hrs.

Sterling Shoes, Inc. - 87138

<u>Callum Beveridge</u>		<u>Hrs.</u>
October 21	Review of changes made to model for October 17-19; discussion with Todd Martin re: Initial Order; discussion with F. Tan re: customs/brokerage fees (pre and post filing) and logging changes to model from CCAA filing;	3.0
October 24	Review of pre-filing payments and Initial Order;	0.5
October 26	Review of cash flow variance report for BMO, including review of CCAA cash flow, bank reconciliations and actual cash flows; review of forbearance agreement and BMO emails; revision of weekly cash flow format; discussions with Florence on revised cash flow report; review of LCs and updates in the model;	5.0
October 27	Update cash flow variance report for bank covenant tests; review of first draft of Richter's restructuring model;	3.0
October 28	Discussion with F. Tan re: pre-filing payments to Carson; email to Gilles on the model; telephone call with K. Forbes on the model including preparation and review of the model following the telephone conversation.	2.5
TOTAL - C. Beveridge		14.0 hrs.

Sterling Shoes, Inc. - 87138

<u>Tom Powell</u>	<u>Hrs.</u>
October 21 Attend at the Sterling offices; observe buyers meeting with D. Alves; respond to enquiries from managers regarding the CCAA process; respond to enquiries regarding pre-filing contractor payments; respond to creditor enquiries;	5.0
October 24 Attend at the Sterling offices; attend meetings with D. Gumprich, F. Tan and D. Alves; draft weekly cash flow reporting template including receipts and disbursements with variance analysis and key working capital accounts; obtain and review pre-filing trade accounts payable listing; review preliminary pre-filing accruals listing; respond to creditor enquiries;	6.5
October 25 Meet with F. Tan, A. Yu and G. Wong to discuss pre-filing trade payables, review outstanding accruals listing and identify additional pre-filing accruals; draft list of creditors; respond to creditor enquiries; enquire with Computershare regarding debenture holders; review proposed disbursements; prepare draft newspaper advertisement;	7.5
October 26 Review entity trial balances to address completeness of creditor list; attend to creditor notices; reconcile October 20, 2011, creditor list to September 30, 2011 creditor list; oversee creditor mail out; oversee updating of the website for creditor lists and notices; discuss employee accruals with Payroll and Benefits Manager; respond to creditor enquiries;	8.0
October 27 Attend to creditor enquiries; review proposed disbursements, attend to reporting and payment issues identified by F. Tan and G. Wong;	2.0
October 28 Attend to enquiries from Office of the Superintendent of Bankruptcy; respond to creditor enquiries; attend to discussions from D. Gumprich, F. Tan and G. Wong.	1.5
TOTAL - T. Powell	30.5 hrs.

November 15, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period October 29 to November 11, 2011 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	31.5	\$595	\$18,742.50
P. Boparai, Senior Director	58.0	450	26,100.00
C. Beveridge, Senior Director	58.8	350	20,580.00
T. Powell, Manager	29.5	300	8,850.00
	<u>177.8</u>		<u>\$74,272.50</u>
Add: HST (12%)			<u>8,912.70</u>
TOTAL INVOICE			<u><u>\$83,185.20</u></u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #4**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u><i>T. Martin</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Oct 31	Email review and dispatch to various interested parties and liquidation firms; internal meeting and discussion regarding work plan;	1.5
Nov 1	Telephone conversation with interested parties; telephone conference with P. Rubin of Blakes regarding CapWest process, Sale Guidelines and related matters; internal discussion regarding budget to actual cash flow variances, store closing analysis, SICA and other matters;	2.4
Nov 2	Review daily sales reports; internal discussion regarding status of financial model; receipt and review of emails regarding liquidation firms; email to D. Gumprich regarding interested parties and liquidation firms; review pre –filing payment matters and review of freight contracts by Faskens; review of synopsis of financial model and draft budget versus actual cash flow analysis for BMO;	3.2
Nov 3	Receipt and review work planning document; review daily sales report; organize and confirm outstanding matters with staff; review SICA request and prepare email to Faskens and staff; telephone conference with liquidation firm; receipt and review lease summary for targeted stores; internal discussion regarding near term work plan;	2.9
Nov 4	Prepare for conference call with Company representatives, Blakes and FMD; review draft of response to SICA; telephone conference with liquidation firm;	1.6
Nov 7	Telephone conference with Faskens regarding LP liabilities and Initial Order and LP assets and liabilities and potential priority of creditor claims to creditors of Inc.; internal discussion regarding 2012 financial model and weekly cash flow forecast; review of draft letter to B-Code employees;	1.2
Nov 8	Review precedents for RFP for liquidations; telephone conference with D. Alves regarding RFP process and Agency Agreements; emails to and from Faskens and internal regarding NDA's on lease assignment process and other related matters; email to D. Gumprich regarding liquidation proposals; draft RFP document; review CAIRP standards regarding Liquidations; review draft NDA for liquidation firms; review draft Sale Guidelines drafted by Blakes; internal meeting and discussion regarding status of matters and outstanding work;	4.5



Sterling Shoes, Inc. - 87138

Nov 9	Review emails from Blakes regarding NDA's and other matters; review emails from Richters regarding liquidation process; draft RFP letter format; conference call with Company representatives and Richters regarding liquidation process; review weekly budget to actual cash flow forecast and submission to BMO; telephone discussion with D. Alves regarding process generally and liquidation RFP and lease assignment process; review pre-filing payments and draft section of report; review draft Restructuring Plan outline and send internally;	4.7
Nov 10	Meeting with CapWest representatives regarding update on CCAA and update on CapWest process; draft First Monitor's Report; prepare and attend meeting at Company offices with Company representatives and Blakes to discuss status of various matters;	4.0
Nov 11	Review draft Operational Restructuring Plan and internal meeting to discuss same; review P. Rubin emails regarding lease assignment documentation and other emails; draft First Monitor's Report.	5.5
TOTAL – T. Martin		31.5 hrs.

Sterling Shoes, Inc. - 87138

Pam Boparai

		<u>Hrs.</u>
Oct 31	Attendance at Company regarding pre-filing payment matters; review of operational restructuring matters; meeting with K. Nariash re: work plan;	5.0
Nov 1	Attend to correspondence with SICA; draft reply and discuss with FMD and Blakes; review SICA proxy listing; attendance at Company regarding pre-filing payment matters; request contracts for four large suggested critical freight/customs suppliers; discuss same with FMD and forward contracts to FMD; attend to meeting with Sterling HR regarding employee matters;	6.0
Nov 2	Attend to pre-filing cut-off matters; discuss same with FMD and receipt of email regarding FMD review of contracts; attend to budget to actual cash flow variance analysis and review results; meeting with D. Alves regarding updates and timelines for work plan; forward updated work plan draft to Sterling;	6.0
Nov 3	Review 2012 and 2013 model with Richters and Sterling; attend to assistance with preparation of cost analysis of keeping certain banners; attend to various discussions regarding on-going CCAA matters;	6.0
Nov 4	Attend to weekly update call with Sterling, Blakes and FMD; attend to on-going cost analysis of keeping certain banners; review analysis with D. Alves, D. Gumprich and F. Tan; review internal impact on forecast bank position; attend to on-going pre-filing freight/customs matter; discuss purchase order matters with certain buyers and with D. Gumprich;	5.0
Nov 7	Review of letter to employees regarding certain banners; telephone discussion with D. Gumprich regarding status update and RFP process;	4.5
Nov 8	Telephone discussion with K. Hong, A&M US, regarding agency agreement process and liquidators; consider RFP documentation and process; attendance at Sterling regarding various CCAA matters; telephone discussion with Sterling creditor regarding pre-filing claim; review of NDA and covering letter regarding potential lease assignment correspondence; attend to correspondence with CapWest regarding same, including discussion with M. Tomassetti and review of proposed target list of assignees;	6.0
Nov 9	Attendance at Sterling premises; meeting with D. Alves and K. Nariash regarding draft operational restructuring plan; meeting with D. Alves, Richters, F. Tan regarding RFP work plan and process; assist D. Gumprich with presentation to board of directors regarding draft operational restructuring plan; attend to matters related to pre-filing freight/customs duties; review of budget to actual variance analysis; attend to emails regarding defective products;	7.0



Sterling Shoes, Inc. - 87138

Nov 10	Attendance to weekly update call regarding various matters, including lease assignment strategy, rationalization of inventory strategy; Nov 18 pending comeback hearing; meeting with CapWest regarding alignment of potential store closure target list, including lease assignment strategy and inventory realization strategy, with proposed Sales Transaction process; forward data room inventory information and potential store closure list; attend to various emails regarding purchase order cancellations; assist with preparation of draft operational restructuring plan; review analysis regarding potential store closures list;	6.5
Nov 11	Assist with preparation of draft operational restructuring plan.	6.0
TOTAL – P. Boparai		58.0 hrs.

Sterling Shoes, Inc. - 87138**Callum Beveridge****Hrs.**

Oct 31	Review of restructuring model; extract assumptions and review document structure; review of notes and questions pertaining to restructuring model;	3.0
Nov 1	Review of model including mechanics, sources of information and key outputs; draft summary of the model;	7.3
Nov 2	Attend to call with F. Tan regarding payroll variance in weekly cash flow; prepare for November 3 meeting with Richters; finalize documentation of model structure;	5.0
Nov 3	Attend to meeting with Richters regarding the restructuring model;	10.0
Nov 4	Prepare estimate of forecast bank position and security based on scenarios for the closure of Freedman and Sterling; attend to meeting with D. Alves and D. Gumprich to discuss analysis; revise value proposition based on comments received; discuss with D. Alves and D. Gumprich about the necessary tasks to get the Company up to speed on the model and to verify assumptions;	9.0
Nov 7	Prepare for meeting with management and CapWest; attend to call with Richters regarding merging models; attend to meeting with CapWest CEO and CFO on model structure and assumptions;	5.0
Nov 8	Attend to meeting with D. Gumprich regarding model assumptions; discussion with D. Alves regarding inventory; revise model;	6.0
Nov 9	Review of model; draft outline of restructuring plan and list of assumptions;	2.0
Nov 10	Assist with summary model assumptions; discussion with P. Boparai on required report data; attend to call with D. Gumprich; review combined model prepared by Richters; review inventory data provided by D. Gumprich; assist with preparation of SG&A section of report; attend to email correspondence with D. Gumprich regarding steps to finalize restructuring model;	7.5
Nov 11	Review inventory data and assist with model to reflect historic inventory profile; assist with revisions to model for revised liquidation and amounts; review Richters comments on changes to the model and prepare for call on Monday.	4.0

TOTAL - C. Beveridge**58.8 hrs.****ALVAREZ & MARSAL**

Sterling Shoes, Inc. - 87138

Tom Powell

Hrs.

Oct 31	Respond to creditor enquiries; obtain and review 2010 tax returns; review summary of outstanding LCs, review BBC reporting template and supporting documents and discuss the same with F. Tan; review October 28, 2011 bank rec; review cheque request for pre-filing freight amounts; attend to Monitor's website; compile store profitability schedule and lease tracking sheet;	6.0
Nov 1	Review cheque request; update posted creditor list; respond to creditor enquiries; review store profitability schedule with F. Tan; summarize list of creditors represented by SICA and review proxy forms;	2.0
Nov 2	Review draft Week 2 result versus actual; enquire with F. Tan regarding reconciling items and unreconciled balances; adjust opening balances from previous weeks cash flow; review disbursement allocation and recommend certain revisions; review and discuss forbearance agreement covenants and compliance; provide a sample cash flow tracking sheet to expedite future weekly reporting;	7.0
Nov 8	Respond to CRA enquiry regarding trust audit; respond to creditor enquiries; review September 2011 TTM store profitability schedule; review Week 3 cash flow versus actual and supporting documents; review Week 12 payment requests; update creditor list on the Monitor's website; review list of payment requests;	6.5
Nov 9	Review schedule of pre-filing freight payments and discuss outstanding amounts; review and resolve cash variances between Richters schedule of receipts for the week versus company records; update service list; review final Week 3 cash flow versus forecast;	3.0
Nov 10	Review summary of cash disbursements per updated purchase order schedule and compare to the original forecast; assist company with reconciling outstanding pre-filing freight reconciliations; compare the same to updated statements; review and revise two week cumulative cash flow versus forecast at the request of Richters; respond to enquiries regarding pre-filing commission payments.	5.0
TOTAL - T. Powell		29.5 hrs.

December 2, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period November 12 to November 19, 2011 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	29.1	\$595	\$17,314.50
P. Boparai, Senior Director	37.5	450	16,875.00
C. Beveridge, Senior Director	53.3	350	18,655.00
T. Powell, Manager	25.0	300	7,500.00
	<u>144.9</u>		<u>\$60,344.50</u>
Add: out of pocket expenses			
The Globe and Mail Advertisement			<u>5,442.72</u>
Add: HST (12%)			<u>7,894.47</u>
TOTAL INVOICE			<u>\$73,681.69</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #5**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u><i>T. Martin</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Nov 13	Review of draft Agency Agreement and draft email with Monitor's comments;	2.0
Nov 14	Internal meeting with staff re: pre-filing payments on freight; draft Monitor's First Report and emails in respect of Agency Agreement; review internal emails and cash flow model update; review FMD feedback and edits on draft Monitor's First Report; review draft Sale Guidelines; review draft Affidavit #2 of D. Gumprich and related emails to Blakes; telephone conversation with S. Richardson, Director, re: potential KEIP matters; conference call with Blakes, Company and Faskens in respect of the draft Agency Agreement; draft email to S. Richardson re: KEIP; review draft Order seeking extension of stay and amendment to Initial Order; receipts and review multiple emails from Blakes regarding Agency Agreement updates and edits;	6.5
Nov 15	Internal meeting re: status update on variety of file matters; internal telephone conference re: professional fee budget and financial model; update and edit draft of Monitor's First Report and forward to Faskens for review; review actual to budget cash flow variance analysis; telephone discussion with H. Stephen, interested party; email to D. Alves and D. Gumprich regarding status of 2012 spring orders and related matters; telephone conference with HIG Bayside representative and related email; telephone conference with D. Alves and D. Gumprich regarding payments to pre-filing creditors; meeting and discussion with M. Tomassetti of Capital West Partners;	6.5
Nov 16	Draft and edit Monitor's First Report and finalize same; receipt and review of emails from Faskens re: freight company's arrangements; internal discussions regarding pre-filing freight obligations; draft email to D. Gumprich re: SICA; review of draft operational restructuring Plan and suggested edits/amendments and internal discussions and meetings re: same; review of email from Blakes and confidentiality agreement signed by interested liquidation firm;	5.2
Nov 17	Prepare for and attend on telephone conference with S. Richardson, Director; preparation for and attendance at internal meeting to discuss Operational Restructuring Plan and long term financial model; review Capital West Partners status update report; review of timelines for inclusion in Operational Restructuring Plan; review of Gowlings' and Richters' comments on draft Agency Agreement and email to M. Chow at Blakes re: Monitor comments; telephone conference with Faskens regarding Court application for Nov. 18; telephone conversation with D. Gumprich regarding October 31, 2011 financial statements and working capital balances; review of draft Operational Restructuring Plan and suggested edits;	5.4

Sterling Shoes, Inc. - 87138

Nov 18	Review and update and edits of Operational Restructuring Plan and internal meetings and discussions regarding same; preparation for and attendance at Court re: Stay Extension application; various emails to and from Blakes regarding draft Agency Agreement, requests for proposals and statement of claim of Adidas.	3.5
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TOTAL – T. Martin		29.1 hrs.
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Sterling Shoes, Inc. - 87138

<u>Pam Boparai</u>	<u>Hrs.</u>
Nov 14 Meeting with D. Alves re: first draft of the Operational Restructuring Plan; attend to conference call re: draft agency agreement with Blakes, Sterling, FMD and A&M; attend to inquiries from liquidators; internal discussion regarding pre-filing freight/customs matter; review of analysis prepared by the company re: Argus and discuss same with D. Gumprich; request Argus contract and correspond with FMD regarding same; correspondence with F. Tan and C. Warbinek reYoY and inventory information; internal discussion with M. Lee re: timeline and review of Cap West draft materials; review of budget to actual cash flows and send comments to F. Tan; review of draft Monitor's report;	8.0
Nov 15 Review of agency agreement and provide comments to M. Chow; Attend to creditor correspondence; Telephone discussion with P. Rubin and A. Crabtree re: affidavit of D. Gumprich and the explanations related to the budget to actual cash flow variance; review budget to actual cash flow variance with T. Powell and with D. Gumprich; telephone discussion with D. Gumprich; review draft Monitor's report; review cheque run and deposit matters, including payment to freight providers; attend to correspondence regarding same;	7.0
Nov 16 Review 2012 and 2013 model; attend to various discussions regarding on-going CCAA matters; correspondence with F. Tan and C. Warbinek reYoY and inventory information; attend to emails from buyers regarding cancelled purchase orders; review weekly sales analysis for "keep" and stores potentially targeted to be closed;	6.0
Nov 17 Review 2012/2013 revised model and summarize same for deck; consider reconciliation issue and discuss same with D. Gumprich; telephone discussion with G. Benychoa, Richters regarding draft Operational Restructuring Plan; assist with updating draft Operational Restructuring Plan;	7.5
Nov 18 Review 2012/2013 revised model received Nov 18; summarize related assumptions; assist with updating draft Operational Restructuring Plan; discuss reasons for changes to 2012/2011 model and understand which balances changed; conference call with D. Alves and D. Gumprich regarding draft Operational Restructuring Plan deck; make revisions to the deck based on comments from Sterling; telephone discussion with M. Chow regarding draft agency agreement and revisions to same.	9.0
TOTAL – P. Boparai	37.5 hrs.

Sterling Shoes, Inc. - 87138

Callum Beveridge

Hrs.

Nov 14	Call with RCI on model; discussion with D. Gumprich on inventory; assist with updates to the model to reflect Company's new assumptions and amend to bring assumptions up front; check rollforwards; document changes to the model; correct inventory and purchases errors;	11.0
Nov 15	Attend to meeting with D. Alves and D. Gumprich on inventory and model expected closing inventory levels per month; review inventory balances in terms of months inventory held; update liquidation of inventory timing and expenses (rent and salaries); review SG&A with D. Gumprich; update seasonality of sales for 1Q; amend restructuring and BBC reserves calculations; factor in deposits on purchases and vacation/arrears for terminated employees;	9.3
Nov 16	Process changes agreed with Management; update purchases for new PO file; review and update payroll costs with F. Tan; incorporate KERP and vacation payments; assist with update to the latest version of the model and send to Company for comments;	13.0
Nov 17	Attend to meeting on restructuring plan; discussion with K. Forbes of RCI on changes required to the model due to difference in bank balances; assist with revision to the option calculations for Sterling and Freedman;	10.0
Nov 18	Update model overnight from Richters; call with K. Forbes on changes made – LCs opening balances, etc.; confirm that cash flow and balance sheet agree; discussion with K. Forbes re: why the net income/equity changed; call with D. Gumprich and D. Alves review the restructuring plan and provide updated information for the report; complete analysis for the report; check income statement summaries and reconcile balance sheet; compile appendices for the model; assist with finalization of the model.	10.0

TOTAL - C. Beveridge

53.3 hrs.



Sterling Shoes, Inc. - 87138

Tom Powell

Hrs.

Nov 14	Correspond with G. Still, Royal Bank of Canada, regarding cash flow reporting; review and document pre-filing freight liabilities and payments; update Monitor's website; review proposed commission payment; review and propose revisions to the weekly BBC submission; review weekly bank reconciliation; respond to creditor enquiries;	4.5
Nov 15	Review actual versus forecast cash flows for the CCAA period-to-date and forbearance period-to-date; update creditor listing; review and approve cheque requests; respond to creditor enquiries; discuss vendor issues with Mrs. F. Tan and Mrs. S. Kassam;	3.5
Nov 16	Review draft Monitor's report; update Monitor's website; review fall receipts and schedule of cancelled PO's; discuss PO cancellations for winter and spring with Mrs. S. Kassam; make revisions to store profitability schedule; analyze inventory on a store-by-store basis; finalize review of weekly cash flow versus forecast;	4.5
Nov 17	Update Monitor's website; update creditor listing; respond to creditor enquiries; review draft restructuring plan; prepare schedules and graphs for draft restructuring plan; review forecast model; review sections related to cash flow and banner analysis;	6.0
Nov 18	Prepare schedule for Operational Restructuring Plan; revise formatting of Operational Restructuring Plan graphs and tables; revise Operational Restructuring Plan sections; update Monitor's website.	6.5
TOTAL - T. Powell		25 hrs.



Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

December 12, 2011

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period November 20 to December 2, 2011 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	46.2	\$595	\$27,489.00
P. Boparai, Senior Director	36.5	450	16,425.00
C. Beveridge, Senior Director	40.5	350	14,175.00
T. Powell, Manager	19.2	300	5,760.00
	<u>142.4</u>		<u>\$63,849.00</u>
Add: out of pocket expenses			
Courier fees (Federal Express & Corporate Couriers Logistics)			<u>59.32</u>
Add: HST (12%)			<u>7,669.00</u>
TOTAL INVOICE			<u>\$71,577.32</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #6**
GST: 83486 3367 RT0001

<u>T. Martin</u>	<u>Description</u>	<u>Hrs.</u>
Nov 20	Review of emails from Blakes re: Agency Agreement; review of Blakes email re: CapWest Agreement; draft emails to CapWest, D. Gumprich and Blakes; review status and planning matters;	1.2
Nov 21	Receipt and review of emails from Hillco, Ms. Chow at Blakes and D. Cohen of Gowlings; email to CapWest regarding meetings with Monitor; review of draft of Agency Agreement to be circulated to liquidation firms; telephone conversation with Hillco representative; email to Century Services regarding liquidation RFP; internal meeting regarding agency agreement terms; telephone conference with D. Gumprich and P. Boparai regarding Argus freight supplier; email to D. Gumprich regarding wire instructions for deposits of liquidator firms; internal meeting regarding agency agreement and inventory realization analysis; review RFP document and related emails with Blakes regarding agency agreement;	2.5
Nov 22	Prepare for and attend on conference call with Compensation Committee of the board of Directors regarding potential KEIP; prepare for and attend on conference call with Company, Blakes and CapWest regarding SISP;	2.0
Nov 23	Review planning memoranda for staff; receipt and review emails from Blakes re: KEIP; telephone conversation with Ms. Plomondon at Hermes regarding credit insurance for certain creditors of Sterling; review of draft non-disclosure agreement being used by CapWest; review of draft KEIP schedule from Blakes, internal discussion regarding same and response to Blakes;	2.7
Nov 24	internal meeting regarding SISP and review of same; review data site for liquidation RFP; receipt and review of emails from Blakes regarding agency agreement issues; receipt and review of convertible debenture indenture and email to Faskens regarding initial queries; review financial model to March 31, 2012; review revised KEIP provided by Blakes and response thereto; teleconference with D. Alves; telephone conference with Blakes regarding potential KEIP Charge; draft outline of Monitor's Second Report; internal meeting and discussion regarding SISP, non disclosure agreements and CapWest Agreement;	4.7
Nov 25	Draft Monitor's Second Report; review proposed SISP and internal discussion; review weekly cash flow forecast; review status/task list and planning matters; draft template to review competing liquidation proposals; conference call with Company regarding process for reviewing competing liquidation proposals and KEIP matters and potential lease assignment; review of closing store locations and planning for attendance at inventory counts; update of comparative analysis of liquidation proposals;	3.0

Sterling Shoes, Inc. - 87138

Nov 26	Receipt and review of emails regarding deposits to be paid to suppliers; review of deposit summary and terms of payment to offshore suppliers; review of convertible debenture indenture; update and amend comparative analysis of liquidation proposals; receipt and review of emails from Blakes regarding form of non-disclosure agreements; email to staff regarding review of competing liquidation proposals;	3.2
Nov 28	Review of lease assignment template and internal emails; draft inventory count memorandum; receipt and review of Limited Partnership Agreement; email to Company regarding deposits to suppliers; review of Solicitation Process document from Blakes and internal discussion regarding same; telephone conference with Dunbar from Century Services regarding deposit payment; review of email from Faskens regarding convertible debentures and subordination clauses; telephone conference with T. Sandler of Osler regarding Hillco proposal and process generally and change to Initial Order for the landlords; telephone conference with R. Rubin of Blakes regarding 13(d) of the Initial Order; update comparative analysis of liquidation proposals;	5.5
Nov 29	Update comparative analysis of liquidation proposals; conference call with Company, Richter's regarding comparative analysis of liquidation proposals; telephone conference with T. Sandler re: Hillco; telephone conversation with Rubin of Blakes regarding augmentation of inventory provisions in agency agreement and SISP matters;	6.0
Nov 30	Email to Blakes regarding comments on Solicitation Process document; telephone conference with Company regarding agency agreement and liquidation proposals; update comparative analysis of liquidation proposals;	5.0
Dec 1	Review of emails from Company regarding Bank of Montreal requests in respect of SISP; review financial model and forecast liquidation proceeds; update comparative analysis of liquidation proposals; prepare for and attend on conference call with Company, Richter's and Blakes regarding final analysis of liquidation proposals; review Sale Guidelines and email to P. Rubin at Blakes; telephone conference with D. Alves regarding liquidation proposals;	6.7

Sterling Shoes, Inc. - 87138

Dec 2	Telephone conference with K. Jackson at Faskens regarding competing liquidation proposals; telephone conference with D. Gumprich regarding deposit messaging; telephone conversation with D. Alves regarding liquidation matters generally; internal meeting regarding analysis of competing liquidation proposals; telephone conference with Richter's regarding liquidator experience and other such matters and position of BMO on competing proposals; conference call with Company and Blakes regarding materials for Court, sealing orders and priority of Charges; meeting with V. Tickle and K. Jackson at Faskens to review comparative analysis of liquidation proposals; internal meeting regarding cash flow forecast and financial model generally.	3.7
TOTAL – T. Martin		46.2 hrs.

<u>Pam Boparai</u>		<u>Hrs.</u>
Nov 21	Review of draft agency agreement; telephone discussion with G. Benchaya re: draft operational restructuring plan and related analysis; review vendor terms analysis provided by Sterling and provide comments on same; review vendor deposit request email from Sterling and provide reply regarding same; discussion with Cap West regarding data base; request access to data base; telephone discussion with M. Chow re: RFP; attend to various email and telephone discussions regarding on-going CCAA matters;	5.0
Nov 22	Preparation for and attendance to meeting with BMO, Richters, Sterling and A&M regarding overview of the draft Operational Restructuring Plan; summarize various adjustments to model discussed with Sterling; attend to related email correspondence; review model;	5.0
Nov 23	Review draft updated weekly and monthly cash flow; review various CCAA requirements; review KEIP and provide comments; telephone discussion with F. Tan;	3.5
Nov 24	Review of draft updated weekly and monthly cash flow model; summarize and provide email comments to F. Tan, Sterling; telephone discussion with G. Benchaya (Richters) re: updated draft cash flows; attend to conference call with Sterling and Richters;	2.5
Nov 25	Review of draft agency agreement; summarize and provide comments to Blakes and Sterling; attend to various telephone discussions with M. Chow re: draft agency agreement; telephone discussions with D. Gumprich re: draft agency agreement;	6.0
Nov 28	Review proposed lease assignment for one location, including draft lease agreement and original and amended lease; prepare summary lease assignment template for monitor's review; telephone discussion regarding same with P. Rubin and D. Alves; attend to related email correspondence; preliminary review bids received;	2.5
Nov 29	Review bids received and related comparative analysis; attend conference call with Sterling, Richters re: bids received;	3.0
Nov 30	Attend to various telephone discussions with D. Alves regarding bids received and comparative analysis; update and review comparative analysis;	2.0
Dec 1	Attend to various telephone discussions and conference calls re: bid review and comparative analysis; update comparative analysis and prepare various scenarios;	2.5

Sterling Shoes, Inc. - 87138

Dec 2	Attend to various conference calls re: comparative bid analysis; attend to meeting at FMD re: bid analysis; update and circulate comparative analysis, including scenarios; telephone conference with Richter's regarding liquidator experience and other such matters and position of BMO on competing proposals; review various related email correspondence.	4.5
TOTAL – P. Boparai		36.5 hrs.

<u>Callum Beveridge</u>		<u>Hrs.</u>
Nov 21	Review of NOLV estimates and updated calculations in the model; prepare detailed assumptions list for the Company; meeting with CapWest on the model;	5.0
Nov 22	Telephone conversation with BMO re: the latest model including discussion on liquidation, supplier credit, availability, agency agreement, etc. and discussion on the points covered in the court application on Dec 9; Telephone discussion with CapWest, Blakes and Faskens re:update from CapWest on their process, dataroom, NDAs and timing, Court approval process and CapWest timetable;	1.5
Nov 23	Meeting at Sterling with F. Tan on the latest model and changes to be made; review of latest version of the model;	3.5
Nov 24	Call with RCI and Sterling to discussion latest changes to the model; call to F. Tan to follow up on discussion; review of sales process information; review of NDAs provided by CapWest; review of latest version of the model;	4.0
Nov 25	Meeting with F. Tan on changes to the model and revised assumptions; discussion with D. Alves and D. Gumprich on the latest forecast and assumptions;	6.5
Nov 28	Review sales process document from Blakes; discuss model and key variances with CapWest; discussion with CapWest re: sales process; discussion with T. Martin on sales process; review of RCI comments on the model; draft monitor's report section on SISP and engagement letter;	4.5
Nov 29	Further discussion with CapWest on model; prepare monitors report section; analysis of information on liquidation bids;	4.5
Nov 30	Review emails and call with RCI on the model;	0.5
Dec 1	Review of CapWest latest model; call with Mike and M. Tomasetti from CapWest	3.5
Dec 2	Meeting with CapWest on model and reconciliation; review of documents to be filed with the court; review of cash flow model changes; review of CapWest documents and follow up on queries;	7.0

Sterling Shoes, Inc. - 87138

Dec 5	Meeting with CapWest on changes to the model; discussion on key assumptions and differences between Company model and CapWest model; discussion on potential changes to the CapWest model; call to F. Tan on reconciling the model; review of extension to the forbearance agreement.	8.0
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TOTAL - C. Beveridge		40.5 hrs.
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Sterling Shoes, Inc. - 87138

<u>Tom Powell</u>		<u>Hrs.</u>
Nov 21	Review weekly BBC report; review weekly bank reconciliation; oversee updates to website; attend to creditor enquiries; attend to file administration;	3.5
Nov 22	Review cheque run; review Week 5 actual results versus forecast; review updated outstanding PO schedule and discuss the same with VP Supply Chain;	4.0
Nov 23	Update creditor listing; finalize Week 5 cash flow reporting package;	2.8
Nov 24	Consider reasonableness of updated payroll forecast;	0.2
Nov 25	Attend to creditor enquiries;	0.2
Nov 28	Attend to creditor enquiries; review weekly BBC report; review weekly bank reconciliation;	3.0
Nov 29	Attend to creditor enquiries; discuss certain forecast assumptions with the Manager, Financial Planning and Analysis;	1.0
Nov 30	Review cheque run; review Week 6 versus forecast; attend to creditor enquiries;	4.0
Dec 1	Oversee updates to website; attend to creditor enquiries.	0.5
TOTAL - T. Powell		19.2 hours



Alvarez & Marsal Canada Inc.
400 Burrard Street
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Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

PRIVATE & CONFIDENTIAL

January 12, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

Sterling Shoes, Inc.
Monitor Invoice December 3-31, 2011

Please find enclosed herewith our statement of account for the period December 3-31, 2011.

Given the amount of the invoice and the relatively high number of hours and fees incurred by the Monitor during the month of December, 2011, we thought it might be helpful to highlight and provide to you a summary of issues that contributed to the time and charges incurred during this period. These issues include:

- Extensive work of the Monitor's team in respect of the terms of the Agency Agreement, Sale Guidelines and other related matters;
- Monitor's supervision and oversight of the liquidation proposal solicitation process and attendant time incurred in respect of reviewing and analysing competing proposals;
- Commencement of specific oversight of the Sales and Investment Solicitation Process;
- Consideration and coordination of a sample number (23 in total) of inventory counts in conjunction with the physical inventory counts undertaken by Century Services and RGIS;
- Analysis and consideration of Notices of Disclaimer and Resiliation relating to a number of realty leases; and
- Consideration of a number of material issues/matters and the Monitor's report relating thereto in respect of the December 9, 2011 hearing to approve:
 - Agency Agreement;
 - Store Closures;
 - Key employee incentive program;
 - Sales and Investment Solicitation Process;
 - and other related matters.

We trust that the foregoing provides greater insight into the extent of time charges of the month of December; however, should you require additional information, please contact the undersigned to discuss this matter further at your convenience.

Yours very truly,

Todd M. Martin
Senior Vice President



Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

January 11, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period December 3 to December 31, 2011 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>Core CCAA Monitor Team</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	50.9	\$595	\$30,285.50
P. Boparai, Senior Director	63.8	450	28,710.00
C. Beveridge, Senior Director	41.3	350	14,455.00
P. Gibson, Senior Advisor	1.5	450	675.00
T. Powell, Manager	49.5	300	14,850.00
	207.0		88,975.50
<u>Inventory Count Personnel (Alta & Ont A&M)</u>			
A. Yandreski, Senior Director	3.2	450	\$1,440.00
E. Allin, Director	3.3	350	1,155.00
O. Konowalchuk, Director	11.0	350	3,850.00
N. Macoritto, Associate	10.1	275	2,777.00
A. Noyek, Analyst	11.9	250	2,975.00
	39.5		12,197.50
	246.5		101,173.00
Add: out of pocket expenses			
Travel costs (car, mileage)			771.45
Courier fees (Federal Express, Corporate Courier Logistics)			222.20
Solera Marketing (Monitor website maintenance)			1,388.45
			2,382.10
			103,555.10
Add: HST (12%)			12,426.61
TOTAL INVOICE			\$115,981.71

Sterling Shoes, Inc. - 87138

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #7**
GST: 83486 3367 RT0001



<u>T. Martin</u>		<u>Hrs.</u>
Dec 3	Receipt and review of draft Notice of Application for Dec 9, draft Gumprich #3 and #4 affidavits, draft Richardson #1 affidavit; email with comments on draft Court materials to Blakes; receipt and review of draft Dec 9 Order and email to Faskens with comments; review of KEIP letter to employees; review of draft agency agreement terms and comments to Ms. Chow at Blakes; draft Monitor's Second Report;	5.3
Dec 4	Draft and edit Monitor's Second Report; review of agency agreement; review CAIRP standard re: "Liquidators"; review emails from Ms. Chow regarding agency agreement and pleadings;	4.0
Dec 5	Draft and edit Monitor's Second Report; telephone conversation with B. McLennan of Century regarding costs and related matters; telephone conversation with Del Broco at BMO confirming Agency Agreement, SISP, Charges and related matters; telephone conference with P. Rubin at Blakes regarding various matters; review inventory count matters ; review draft press release to be issued by the Company regarding store closures; review draft letter to employees, company memorandum and provide comments thereon; review draft First Amendment to Forbearance Agreement; review checklist on Agency Agreement steps prepared by Blakes; internal meeting regarding Monitor's Second Report and drafting responsibilities;	4.8
Dec 6	Review of inventory taking instructions and email to Ms. Chow at Blakes; draft and edit Monitor's Second Report; review draft information memorandum prepared by CapWest; forward draft Second Report to Faskens for comments; telephone conference with Rubin regarding status of documents and pleadings; telephone conference with Kathleen Keitly and P. Rubin of Blakes regarding CapWest non-disclosure agreement; telephone discussion with P. Rubin regarding adidas AG matters; meeting and discussion with D. Gumprich regarding revised Cash Flow Forecast to March 31, 2012;	8.4
Dec 7	Finalize Monitor's Second Report; update cash flow forecast for BMO; organize exhibits; update report for Faskens edits; review comments on factual accuracy from Company and Blakes;	5.4
Dec 8	Conference call with Blakes and Company regarding agency agreement steps and outstanding matters;	0.5
Dec 9	Prepare for and attend Court hearing on Notice of Application; meeting with Faskens in advance of Court hearing; telephone conversation with P. Rubin regarding listing of unrepresented landlords and notice;	4.0
Dec 12	Deal with return of deposits and related wire transfers to liquidation firms; internal discussion and planning regarding the Monitor's attendance at RGIS inventory taking; review of possible lease disclaimer matters; discussion with K. Jackson at FMD regarding subordination in convertible debenture indenture; internal meeting and discussion regarding sale and	1.4

Sterling Shoes, Inc. - 87138

	investment solicitation process	
Dec 13	Receipt and review of various email correspondence regarding liquidation process and inventory reconciliation procedures;	1.0
Dec 14	Receipt and review of various email correspondence regarding liquidation process and inventory reconciliation procedures;	1.0
Dec 15	Review CCAA s. 32 and CAIRP standards regarding notices of contract disclaimers; internal discussions regarding lease disclaimer matters and Century accounting of proceeds and inventories; meeting with representatives of Century Services regarding status of liquidation process; draft email to D. Alves in respect of lease disclaimer matters and related conference call;	3.0
Dec 16	Receipt and review of 10 lease disclaimer notices and review of financial analysis and lease documentation relating thereto; internal discussion regarding liquidation process and accounting of Proceeds and inventories relating thereto; execution and dispatch of Notice of Disclaimers to 10 landlords;	1.8
Dec 19	Preparation for and attendance on conference call with Company representatives, Blakes and FMD in respect of status of liquidation process, inventory count reconciliations, assignment of leases, employee termination notices, spring 2012 purchases, CapWest process and related issues;	1.4
Dec 20	Internal discussions regarding liquidation process and inventory reconciliations; internal discussion regarding CapWest process;	1.0
Dec 21	Review of actual to budget cash flow materials and weekly reporting to BMO; internal discussions regarding inventory reconciliations; review and execute lease disclaimers (2); draft email to K. Jackson at FMD; meeting and discussion with M. Tomassetti of CapWest re: status;	2.0
Dec 22	Internal discussions regarding CapWest process; internal meeting and discussion regarding inventory reconciliation, employee notices and lease disclaimers and assignments; telephone conversation with financial advisor to interested party; receipt and review of draft notices of termination for employees and draft letter to BC Ministry of Labour and emails to and from FMD relating thereto; review of draft Blocked Account Agreement;	2.4
Dec 23	Internal discussion regarding inventory counts; review of draft Blocked Account Agreement and related emails to Blakes and FMD; review of inventory reconciliation issue with Century and internal discussion regarding same;	1.5
Dec 28	Receipt and review of draft Amendment # 1 to Agency Agreement and reply to Blakes;	0.5
Dec 29	Receipt and review of emails and internal discussion regarding inventory reconciliation and draft Amendment #1 to Agency Agreement; review and	1.0



Sterling Shoes, Inc. - 87138

execution of notice of disclaimer (1) and email to Blakes;

Dec 30	Receipt and review of email from D. Gumprich regarding RGIS inventory reporting and review of update report; internal discussion regarding inventor reconciliation process.	0.5
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TOTAL - T. Martin

50.9 hrs.



Sterling Shoes, Inc. - 87138

<u>Pam Boparai</u>		<u>Hrs.</u>
Dec 3	Attend to review of draft court materials and provide comments regarding same to Blakes; Review of agency agreement threshold calculations and related emails; attend to emails regarding agency agreement and pending court hearing;	2.5
Dec 4	Review draft agency agreement and provide comments to Blakes; attend to various email correspondence;	3.5
Dec 5	Review draft company memo regarding communications related to pending store closures; review updated draft agency agreement; telephone discussion with M. Chow regarding agency agreement; review of draft cost file and provide comments to Sterling; review revised draft cost file and provide comments to Sterling; review draft amended Forbearance Agreement and attend to emails to G. Benchaya;	7.0
Dec 6	Review updated draft cost file; conference call with M. Chow, K. Naraine, D. Alves regarding cost file; request and review update on lease status; review draft report and update sections;	6.0
Dec 7	Review updated draft Monitor's report; attend at company premises to discuss inventory reporting matters pursuant to the Agency Agreement and related check list matters;	6.0
Dec 8	Conference call with Sterling, Blakes and the Monitor to review Agency Agreement check list matters; follow up on various telephone discussions with M. Chow, A. Yu regarding inventory cut off and reports for Dec 9;	4.0
Dec 9	Various telephone discussions with K. Naraine and conference call with K. Naraine and M. Chow regarding inventory report as at December 9, 2011; review of draft inventory report as at December 9, 2011 and provide comments to K. Naraine; review Agency Agreement; conference call with A. Yu, G. Benchaya, D. Forer regarding Agency Agreement, flow of funds, cash receipts collections and other related liquidation matters; review and email draft press release;	4.0
Dec 12	Review draft BBC report; email and telephone discussion with D. Forer; email correspondence with K. Naraine and with A. Yu regarding inventory reports as at December 9, 2011; draft list of daily and weekly activities and reporting re: Agency Agreement;	2.0



Sterling Shoes, Inc. - 87138

Dec 14	Attendance at Company premises to meet with D. Gumprich, A. Yu and D. Forer regarding Century reports; meeting with Edwin from Century regarding financial reporting; meeting with J. Dunbar from Century regarding operational reporting; conference call with A. Yu and PWC regarding HST matters;	3.0
Dec 15	conference call with Blakes and Sterling regarding potential lease disclaimers; prepare draft lease schedule with 4 wall contribution as compared to yearly lease costs; attend to email and file documentation regarding Monitor's approval of lease disclaimers;	5.0
Dec 16	Conference call with Century and Sterling regarding gross rings calculation; review lease agreements and approve requested lease disclaimers;	3.0
Dec 19	Conference call with Sterling, Blakes, FMD and the Monitor to discuss CCAA update matters, including lease disclaimers, employment matters and Century liquidation and reporting status;	1.0
Dec 20	Review of the proposed weekly report for Century; telephone discussion with D. Forer regarding draft weekly report; review of store level inventory reports;	2.0
Dec 21	Attendance at Sterling offices to discuss inventory count reporting matters and other related inventory matters; attend conference call with Blakes and Sterling regarding employee matters at closing stores;	3.8
Dec 22	Conference call with Century regarding gross rings and inventory adjustment calculation proposal; review of actual inventory count data results from RGIS to date; various telephone discussions with Sterling and Century; conference call with Sterling regarding inventory count reconciliation process and review related schedules; review of draft employee termination letters and letter to HRDC; review guaranteed amount calculation and update draft document based on discussion with Sterling for their review; review inventory raw data and analysis of rejection reports; discussion of weekly reporting process; receipt and review of correspondence from landlord regarding proposed assignment;	6.0
Dec 23	Review draft agreement regarding blocked accounts; telephone discussion with D. Gumprich and M. Chow regarding same; attend to various emails regarding blocked accounts and review of Agency Agreement; emails to and from Century regarding blocked accounts;	2.0
Dec 29	Disclaimer review update; review lease schedule; Attend to general CCAA status update matters and email review.	1.0
TOTAL – P. Boparai		63.8 hrs.



Sterling Shoes, Inc. - 87138

Callum Beveridge

		<u>Hrs.</u>
Dec 5	Meeting with CapWest on changes to the model; discussion on key assumptions and differences between Company model and CapWest model; discussion on potential changes to the CapWest model; call to F. Tan on reconciling the model; review of extension to the forbearance agreement;	8.0
Dec 6	Review CapWest report; review latest model; discussion with D. Gumprich and F. Tan on the model; draft cash flow section of the Monitor's report; review draft Monitor's report; discussion with M. Tomassetti of CapWest re: report and model; PE firm discussion with A&M colleagues; cash flow model updates for filing CCAA;	8.0
Dec 7	Review latest draft of monitor's report; discussion with CapWest on latest model and changes; sent numbers to Blakes; insert final numbers in the report; discussion with M. Tomassetti at CapWest;	5.0
Dec 8	Telephone discussion with CapWest on the model and questions on trade creditor balances; reconciling CapWest latest model to CCAA model;	2.5
Dec 9	Telephone discussion with CapWest for update on the process; organize file; review CapWest data and latest data room data;	1.5
Dec 12	Review data room files; minutes of call with CapWest;	0.8
Dec 13	CapWest file; lease claims quantified; call with F. Tan; store count instructions; review CCAA cash flow;	4.0
Dec 14	Review of NDAs; attendance at count for store 44 (Joneve Metrotown);	7.0
Dec 15	Write up inventory count; discussion with T. Powell on count results; lease commitment schedule; calculate potential lease claims.	4.5
TOTAL - C. Beveridge		41.3 hrs.



Sterling Shoes, Inc. - 87138

Peter Gibson

Dec 12 Review and comment on draft report.

Hrs.

1.5

TOTAL - P. Gibson

1.5 hrs.



Sterling Shoes, Inc. - 87138

Tom Powell

		<u>Hrs.</u>
Dec 5	Respond to creditor enquiries; review weekly cash flow versus forecast; draft Monitors report sections regarding cash flow; review weekly borrowing base calculation and bank reconciliation; update the Monitors website;	5.0
Dec 6	Discuss inventory count schedule with Sterling; respond to queries regarding payment of pre-filing claims; revise and finalize cash flow section of Monitors report; review forecast model and format it for the report; meet with D. Gumprich and F. Tan at A&M offices to discuss and finalize assumptions; format the cash flow output to be included in the Third Affidavit of Daniel Gumprich;	7.5
Dec 7	Consider comments regarding cash flow provided by Blakes; attend to file administration; draft inventory count observation instructions;	3.5
Dec 8	Update Monitor's website; respond to enquiries from CapWest; correspond with other A&M offices regarding inventory count observation;	2.5
Dec 9	Respond to enquiries from CapWest; update monitors website;	0.25
Dec 12	Review weekly BBC and bank reconciliation; review outstanding PO schedule; respond to creditor enquiries; attend to file administration;	2.5
Dec 13	Review and approve weekly cheque run; respond to creditor enquiries; respond to enquiries from the company regarding formatting of cash flow reporting; review inventory count schedule; respond to enquiries from company employees;	1.5
Dec 14	Attend conference call with A&M Toronto office regarding inventory count observations; attend to file administration; respond to creditor enquiries; review weekly actual cash flow results versus forecast;	3.0
Dec 15	Update inventory count observation template; attend to file administration; correspond with B. Akam and A. Yu regarding inventory reporting and reconciliation;	1.0
Dec 16	Meet with the Company regarding inventory count reconciliation; attend conference call regarding gross rings period under the agency agreement; review draft weekly inventory reporting; respond to creditor enquiries; review RGIS and Sterling count procedures; attend and observe inventory count at Sterling store 41 and document results;	6.0



Sterling Shoes, Inc. - 87138

Dec 19	Attend and observe inventory count at Joneve store 45 and document results; review weekly BBC and bank reconciliation; review monthly BBC; review weekly cheque run and provide comment regarding same;	5.5
Dec 20	Attend and observe inventory count at Freedman store 86 and document results; attend and observe inventory count at Sterling store 28 and document results;	4.5
Dec 21	Attend Sterling office to discuss inventory count status; weekly cash flow results versus forecast and provide recommendations regarding presentation of receipts relating to the stores subject to an agency agreement; review weekly cheque run; review post filing trade payables ledger;	4.0
Dec 22	Respond to creditor enquiries; respond to company enquiry regarding proposed pre-filing payment;	0.25
Dec 23	Respond to creditor enquiries; review daily sales reconciliation for stores operated under an agency agreement;	0.25
Dec 28	Review weekly BBC; update creditor list; correspond with A&M Toronto and A&M Calgary regarding inventory count observation documentation;	2.0
Dec 29	Respond to enquiries from D. Forer regarding borrowing base calculation and rent expense treatment under the agency agreement for stores designated for closure.	0.25
TOTAL - T. Powell		49.5 hrs.



Sterling Shoes, Inc. - 87138

Andrea Yandreski

		<u>Hrs.</u>
Dec 7	Discussion with T. Powell regarding coordination of A&M personnel for attendance at and observation of certain inventory counts in the GTA;	0.2
Dec 14	Coordination of A&M personnel for observation of GTA inventory counts; preparation of correspondence to T. Powell regarding same;	0.5
Dec 15	Preparation for and attendance on a conference call with T. Powell regarding the upcoming inventory counts; follow-up discussions with Toronto team regarding same;	1.0
Dec 16	Follow-up on Newmarket inventory count with A. Noyek; preparation of correspondence to T. Powell regarding same;	0.2
Dec 19	Follow-up on inventory counts with N. Macoritto and A. Noyek;	0.2
Dec 21	Follow-up on inventory counts with E. Allin and A. Noyek;	0.3
Dec 23	Review of documentation regarding inventory counts; discussions with A. Noyek regarding same.	0.8
TOTAL - A. Yandreski		3.2 hrs.



Sterling Shoes, Inc. - 87138

Else Allin

		<u>Hrs.</u>
Dec 15	Attended group call with T. Powell regarding inventory count instructions;	0.5
Dec 20	Traveled to and from inventory count at Square One Mall, performed test counts and observed inventory count in progress on site and recorded results of test counts and general observations.	2.8
TOTAL - E. Allin		3.3 hrs.

Sterling Shoes, Inc. - 87138

Orest Konowalchuk

Hrs.

Dec 7	Telephone discussion with T. Powell; review of materials on inventory count;	0.6
Dec 16	Attending of three warehouse mall shopping centers; observe inventory counts; discussion with RGIS and Century re: accounts; perform limited audit procedures and test counts on inventory at each of the three warehouse locations;	9.3
Dec 23	Record results on inventory count; prepare memo.	1.1
TOTAL – O. Konowalchuk		11.0 hrs.



Sterling Shoes, Inc. - 87138

<u>Nick Macoritto</u>		<u>Hrs.</u>
Dec 15	Internal conference call and discussions pertaining to the proceedings, inventory test count procedure and count scheduling;	1.0
Dec 19	Attend the Dufferin Street location to observe the inventory count and perform the test count procedures;	1.9
Dec 20	Attend the Eaton Centre location to observe the inventory count and perform the test count procedures; attend the Richmond-Adelaide Centre location to observe the inventory count and perform the test count procedures;	2.5
Dec 21	Attend the Sherway Gardens location to observe the inventory count and perform the test count procedures; attend the Oakville Place location to observe the inventory count and perform the test count procedures;	3.2
Dec 23	Consolidate the notes and test count data gathered from five store visits, format and distribute internally.	1.5
TOTAL – N. Macoritto		10.1 hrs.

Sterling Shoes, Inc. - 87138

<u>Adam Noyek</u>		<u>Hrs.</u>
Dec 14	Discussions with A. Yandreski; plan for inventory count;	0.8
Dec 15	Call with T. Powell, A. Yandreski, N. Macoritto and E. Bushnell to outline procedures for inventory counts;	0.6
Dec 16	Travel to Sterling location; oversee inventory count being completed by RGIS and execute sample count to ensure consistency between Sterling system and actual inventory; travel back from location;	3.1
Dec 19	Prepare summary observations to be recorded and presented;	0.5
Dec 20	Travel to Sterling location; oversee inventory count being completed by RGIS and execute sample count to ensure consistency between Sterling system and actual inventory; travel back from location;	2.2
Dec 21	Consolidate data from other inventory counts into summary workbook of observations;	0.5
Dec 22	Travel to Sterling/Freedman location(s); oversee inventory counts being completed by RGIS and execute sample counts to ensure consistency between Sterling/Freedman systems and actual inventory; travel back from location(s);	3.1
Dec 23	Review and finalize summary of observations with A. Yandreski and deliver final version to T. Powell.	1.1
TOTAL - A. Noyek		11.9 hrs.





Alvarez & Marsal Canada Inc.

400 Burrard Street

Suite 1680, Commerce Place

Vancouver, BC V6C 3A6

Phone: +1 604 638 7440

Fax: +1 604 638 7441

January 31, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period January 1 to January 20, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	20.2	\$595	\$12,019.00
P. Boparai, Senior Director	17.5	450	7,875.00
C. Beveridge, Senior Director	6.0	350	2,100.00
T. Powell, Manager	24.8	300	7,440.00
	<u>68.5</u>		<u>\$29,434.00</u>
Add: HST (12%)			<u>3,532.08</u>
TOTAL INVOICE			<u>\$32,966.08</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 01020
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #8**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. – 87138 Invoice #8

<u>Todd Martin</u>		<u>Hrs.</u>
Jan 3	Review of additional proposed lease disclaimers and related timing; internal discussion regarding SISP; internal discussion regarding inventory counts at Closing Stores and related documentation;	1.0
Jan 4	Prepare for and attend meeting at Sterling to discuss with CEO and CFO outlook for retained store locations, status of SISP, status of liquidation at Closing Stores and employment and corporate overhead matters;	2.5
Jan 6	Telephone conversation with B. McLennan of Century services regarding status of liquidation at Closing Stores; internal discussion regarding SISP; internal meeting and discussions regarding monitoring of operations and cash flow;	1.5
Jan 9	Meeting and discussion with M. Tomassetti at CapWest Partners regarding status of SISP; telephone conversation with US based interested parties; telephone conversation with D. Gumprich regarding status of operations and various matters including timing of additional store closures, if any; internal meeting regarding inventory count procedures, follow up and documentation;	1.4
Jan 10	Telephone conversation with J. Delbroco of Bank of Montreal on status and various matters; internal meeting regarding cash reporting, liquidation analysis and other general file matters; telephone conversation with D. Gumprich regarding meeting/conference with BMO;	1.5
Jan 11	Receipt and review of draft memorandum from Company to certain corporate employees; meeting and discussion with P. Rubin of Blakes regarding status update and progress on SISP and related matters; internal meeting and discussions regarding liquidation analysis;	2.5
Jan 12	Reciept and review of planning materials regarding corporate redundancies and related emails; telephone conversation with K. Jackson of Faskens regarding Amendment #2 to Agency Agreement; confirm wiring details for transfer of Century deposit to Company; execution and related emails with D. Gumprich and M. Chow of Blakes regarding wire transfer of Century deposit;	1.5
Jan 13	Preparation for and attendance on call with M. Tommassetti of CapWest Partners regarding update on SISP; update call with Company;	1.5

Sterling Shoes, Inc. – 87138 Invoice #8

Jan 16	Review of outstanding matters and planning next steps; review of Agency Agreement sections regarding disposition of Owned FF&E; email to D. Gumprich and Blakes regarding sale of Owned FF&E;	1.7
Jan 17	Receipt and review of weekly borrowing base certificate and related reporting to Bank of Montreal; email to M. Tomassetti at CapWest regarding Management presentation schedules and review of related documentation;	1.7
Jan 18	Receipt and review of schedule of lease assignment and surrenders; internal discussion regarding future lease disclaimers, SISP status and related matters;	1.5
Jan 19	Internal discussion and review of emails relating to landlord request for comfort letters; telephone discussion with M. Tomassetti at CapWest regarding liquidation analysis and related matters;	0.9
Jan 20	Receipt and review of various emails; telephone conversation with M. Tomassetti regarding Management presentation meetings with prospective investors and reporting matters generally.	1.0
TOTAL - T. Martin		20.2 hrs.



Sterling Shoes, Inc. – 87138 Invoice #8

<u>Pam Boparai</u>		<u>Hrs.</u>
Jan 3	Telephone discussion with creditor regarding status update; email correspondence with B. Akam and K. Naraine re: inventory reporting and status; arrange and attend conference call re: contracts for closing stores, including request and review certain sample documents; telephone discussion with D. Gumprich regarding closing store contract matters; conference call with Century and Sterling re: inventory purchase price and final count matters;	3.5
Jan 4	Attend to correspondence with FMD re: closing store contracts; review of Company's approach to address various closing store agreements; discuss same with A Crabtree, Blakes; attend to meeting at Sterling premises with D. Alves and D. Gumprich re: CCAA status update matters;	3.0
Jan 5	Review draft updated weekly and monthly cash flow; review various CCAA requirements; telephone discussion with F. Tan; review lease payment matter email correspondence regarding disclaimed leases and discuss same with P. Rubin, Blakes;	1.5
Jan 6	Attend to conference call with Sterling and Blakes; telephone discussion with D Gumprich regarding budget to actual results and DSR information; internal discussion re: same; review inventory calculation; discuss discrepancy with company and forward comments to Blakes and the company;	3.0
Jan 9	Review final inventory count and amended agency agreement; telephone discussion with D. Gumprich;	0.5
Jan 10	Email correspondence with D. Engeonman; telephone discussion with D. Gumprich regarding inventory and claims amounts;	1.5
Jan 13	Review of various emails related to inventory reports and weekly cash summaries;	0.5
Jan 18	Preparation for and attendance to meeting with D. Forer and D. Gumprich regarding banner analysis and preliminary estimated recovery analysis; review Sales Investor Solicitation Process update; review surrender and assignment agreement correspondence request;	3.5
Jan 20	Attend to creditor inquiries; telephone discussion with D. Forer; review of general status;	0.5
TOTAL – P. Boparai		17.5 hrs.

Sterling Shoes, Inc. – 87138 Invoice #8

<u>Callum Beveridge</u>		<u>Hrs.</u>
Jan 3	Discussion regarding sales process;	0.5
Jan 6	Call with CapWest on sales process; review of model for sales;	3.0
Jan 11	Lease disclaimer calculation for remaining Sterling and Freedman stores; discussion with T. Powell;	1.0
Jan 19	Emails and meeting notes of recent discussions with CapWest.	1.5
TOTAL – C. Beveridge		6.0 hrs.



Sterling Shoes, Inc. – 87138 Invoice #8

<u>Tom Powell</u>	<u>Hrs.</u>
Jan 2 Attend to creditor list updates; attend to website updates;	0.5
Jan 3 Review weekly cheque run; attend conference call to discuss telephone and internet contracts at the closing stores; review weekly BBC; attend to file administration; review flow of funds for stores operating under the agency agreement;	2.5
Jan 4 Assist D. Forer with reconciling cash flow to BBC; review forecast versus actual results and provide comments and draft notes; review bank reconciliation; attend to call with D. Forer and D. Gumprich regarding the weekly cash flow and related forbearance agreement covenants; update service list; attend to website updates;	5.0
Jan 5 Respond to creditor enquiries; review Richters comments regarding cash flow and covenant calculations; review weekly expense summary for stores under the agency agreement; review schedule of outstanding purchaser orders;	2.0
Jan 6 Respond to creditor enquiries; revise product codes to SKUs for certain inventory test counts; discuss the same with B. Akam;	1.0
Jan 9 Review daily sales reconciliation; respond to creditor enquiries;	0.3
Jan 10 Review weekly BBC; reconcile inventory schedule to BBC;	1.0
Jan 11 Review weekly cheque run; discuss inventory count discrepancies with B. Akam; respond to creditor enquiries; review issues with forecast model and corresponding Richters proposed fixes; attend call with D. Gumprich regarding audit invoices; discuss cash flow with D. Gumprich and F. Tan and provided suggested revisions and draft notes;	5.0
Jan 13 Discuss lease disclaimers for remaining stores with D. Forer and provide related analysis;	1.0
Jan 17 Identify issues with draft BBC and propose revisions; review bank reconciliation; review weekly cheque run;	2.5
Jan 18 Update service list; respond to creditor enquiries; review forecast versus actual results and provide suggested revisions; review trade accounts payable ledger; discuss variances between the daily sales report and cash flow with F. Tan;	3.0
Jan 19 Respond to creditor enquiries, review monthly BBC;	0.5
Jan 20 Review liquidation analysis prepared by D. Forer.	0.5
TOTAL - T. Powell	24.8 hrs.



Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

March 19, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period January 21 to February 29, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	32.2	\$595	\$19,129.25
P. Boparai, Senior Director	13.0	450	5,850.00
C. Beveridge, Senior Director	47.8	350	16,712.50
T. Powell, Manager	21.0	300	6,300.00
	<u>113.9</u>		<u>47,991.75</u>
Add: out of pocket expenses			
Creditor mailing fees			222.45
Courier fees			24.50
Mileage, parking, taxi and rental car fees re: inventory count			356.43
Add: HST (12%)			<u>5,831.42</u>
TOTAL INVOICE			<u>\$54,426.55</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #9**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. – 87138 Invoice #9

<u><i>Todd Martin</i></u>	<u><i>Hrs.</i></u>
Jan 23 Telephone conversation with P. Rubin of Blakes and D. Alves of Sterling re suppliers issue and access to financial information; receipt and review of status update for CapWest on SISP; receipt and review of information on status of liquidation by Century; internal meeting re status of file and administrative matters;	2.4
Jan 24 Internal meeting re SISP process and future meetings with interested parties;	0.5
Jan 25 Telephone conversation from advisor to interested party and status of SISP; meeting and discussion with FMD;	0.4
Jan 26 Telephone conversation with B. Calvin of Century re inventory liquidation; review of liquidation analysis and claims analysis; prepare for and attend meeting with P. Rubin of Blakes; internal meeting re SISP;	3.0
Jan 27 Meeting and discussion with M. Tomasetti of CapWest re status of SISP; attend to conference call with D. Alves and D. Gumprich and Blakes re SISP status lease disclaimer matters and other outstanding issues;	2.5
Jan 30 Internal discussion and review of draft of process letter from CapWest; telephone conference with A. Crabtree of Blakes re lease disclaimers; review surrender agreements; organize lease disclaimer notice;	2.9
Jan 31 Update files for lease disclaimers and status of Closing Stores; internal meeting re SISP and CapWest process letter;	2.0
Feb 1 Meeting with interested parties;	1.0
Feb 2 Telephone conference with D. Gumprich re SISP and related matters; internal meeting re SISP;	0.5
Feb 3 Email to Torys re interested party in Sterling; telephone discussion with P. Rubin re run-off coverage for D&O insurance; internal meeting re SISP;	0.8
Feb 6 Review of emails and attend to file administration;	0.5
Feb 7 Internal meeting re SISP;	0.5
Feb 8 Preparation for and attend a meeting with D. Gumprich, F. Tan and D. Forer in respect of Company's operations, status of SISP and other matters;	2.0

Sterling Shoes, Inc. – 87138 Invoice #9

Feb 13	Draft of Third Report to the Court; telephone conversation with financial advisor to interested party; telephone conversation with M. Tomasetti of CapWest re SISP; review email for A. Pye re enquiry of Bentall Kennedy (landlord); analysis of competing LOI's and internal discussion re same;	2.5
Feb 14	Review of analysis of competing LOI's; preparation for meeting at CapWest and discussion with D. Gumprich, M. Tomasetti, D. Irwin and M. Janicki re competing LOI's and related analysis and recommendations of CapWest;	2.0
Feb 15	Draft and edit Monitor's Third Report to Court; telephone conference with P. Rubin of Blakes re extended D&O run-off cover;	1.7
Feb 16	Finalize Monitor's Third Report and review factual accuracy comments of D. Gumprich; telephone conference with D. Gumprich re Board of Directors meeting on SISP and LOI's and related matters;	1.3
Feb 17	Telephone conference with D. Irwin re LOI's and approval/strategy going forward; telephone conference with D. Gumprich re LOI's and possible alternatives/approach;	1.0
Feb 20	Review of emails; internal meeting and discussion re SISP;	1.0
Feb 21	Review of email from D. Gumprich re KEIP payments; CapWest update for D. Gumprich; telephone voicemail D. Gumprich re Board of Directors D&O insurance coverage matters;	0.9
Feb 22	Internal meeting re CapWest and SISP; debrief of conference call with BMO;	0.2
Feb 23	Review emails and related matter on status of SISP, KEIP payments and other general administrative file matters;	1.5
Feb 24	Internal meeting re status of SISP and updated cash flow variance reporting;	1.0
Feb 29	Review of cash flow variance report and email to D. Gumprich re meetings.	0.5
TOTAL - T. Martin		32.15 hrs



Sterling Shoes, Inc. – 87138 Invoice #9

<u>Pam Boparai</u>		<u>Hrs.</u>
Jan 20	Review daily reconciliation received from D. Forer; telephone discussion with D. Gumprich re: employee matters; reply to former employee regarding CCAA matters;	0.5
Jan 24	Review and consider creditor analysis; review sales and cash flow reports;	1.0
Jan 25	Review and consider recovery analysis; review budget to actual results and sales reports; telephone discussion with former employee;	2.0
Jan 26	Review of lease related matters, including surrender document and draft letter to be provided to landlord; send email to A. Crabtree regarding surrender and release for Sterling; attend to meeting at Blakes regarding CCAA process, including creditor matters and potential plan; review draft recovery analysis; conference call with D. Forer and D. Gumprich and T. Powell regarding recovery analysis and related revisions;	4.0
Jan 27	Review cash flows and liquidation reporting and related matters; telephone discussion with D. Gumprich;	1.5
Jan 30	Telephone discussion with D. Gumprich; internal discussion regarding CCAA matters and Century sale;	0.5
Feb 21	Review various emails and sales process status; internal CCAA matter discussion;	1.0
Feb 22	Attend to Sterling, BMO and CapWest update conference call; consider cash flow forecast; review proposals; email correspondence with FMD regarding former employee matters and related potential claims.	2.5
TOTAL – P. Boparai		13.0 hrs.

Sterling Shoes, Inc. – 87138 Invoice #9

<u><i>Callum Beveridge</i></u>		<u>Hrs.</u>
Jan 24	Review of investor materials; telephone conversation with M. Tomassetti;	1.25
Jan 25	Review variance report, balance sheet and meeting notes;	1.0
Jan 26	Review Sterling and Freedman liquidation analysis and balance sheet analysis;	1.0
Jan 27	Meeting with Capwest; review lease claims and process letter; review liquidation analysis;	3.5
Jan 30	Telephone conversation with FMD; review letter with T. Martin; send comments to CapWest and attend to discussion with M. Tomassetti; review liquidation analysis; attend to email correspondence with A. Yu; review balance sheet; attend to discussion with T. Martin re analysis;	6.5
Jan 31	Finalize CapWest letter; review insolvency calculation; review company calculation of claims;	2.5
Feb 1	Discussion with M. Tomassetti; analysis of CapWest liquidation numbers; review employee data from Sterling HR; telephone conversation with Dan. Gumprich and D. Forer on redundancies and how to treat severance;	3.25
Feb 3	Telephone conversation with M. Tomassetti; review Phase II process;	1.5
Feb 6	Prepare draft Monitor's Third Report to Court; telephone conversation with M. Janicki on status report/bidders; review HR data from G. Tejpar; review CapWest work plan;	6.0
Feb 7	Call with D. Gumprich and G. Tejpar on HR matters;	1.5
Feb 8	Call with D. Gumprich re: severance payments; conversation with T. Martin re same;	1.0
Feb 9	Discussion with M. Tomassetti;	1.0
Feb 10	Review claims;	0.5
Feb 13	Review of individual offers received; discussion with T. Martin re offers;	2.0
Feb 14	Attend meeting at CapWest with D. Gumprich to discuss offers received and way forward; attend to revision of analysis of offers;	6.0
Feb 15	Review of weekly BBC and budget vs. actual report;	2.5
Feb 17	Discussion with D. Irwin re revised offer from leading bidder;	1.0

Sterling Shoes, Inc. – 87138 Invoice #9

Feb 21	Telephone conversation with M. Tomasetti; review of BBC/cash flow with F. Tan;	2.5
Feb 22	Telephone conversation with BMO and review of exclusive bidder timeline;	1.25
Feb 23	Review of cheques payable;	0.25
Feb 24	Telephone conversation with M. Janicki of CapWest;	0.5
Feb 27	Review of weekly BBC report and cheques payable;	1.0
Feb 29	Review of cash flow with T. Powell.	0.25
TOTAL – C. Beveridge		47.75 hrs.



Sterling Shoes, Inc. – 87138 Invoice #9

<u>Tom Powell</u>		<u>Hrs.</u>
Jan 23	Review accounts payable ledger and accruals; respond to creditor enquiries;	1.0
Jan 24	Review proposed cheque run; review BBC; respond to creditor enquiries;	2.0
Jan 25	Review cash flow versus forecast weekly reporting; review covenant calculations;	1.5
Jan 26	Review liquidation analysis and prepare additional analysis including creditor recovery scenarios; attend call with D. Forer and D. Gumprich regarding same; update creditor list;	2.5
Jan 30	Attend to website updates; review BBC; review leases for lease disclaimers;	2.5
Jan 31	Review cheque run; discuss revised assumptions for liquidation analysis with D. Forer;	1.0
Feb 1	Review weekly cash flow versus forecast; propose revisions to notes;	1.5
Feb 2	Respond to employee enquiries regarding timing of claims process; review cheque run; review correspondence regarding ITC's claimed on pre-filing credit amounts;	1.0
Feb 6	Draft cash flow section for monitor's report; review BBC;	2.5
Feb 8	Review weekly cash flow versus forecast and propose revision to note disclosure; review bank reconciliation; review accounts payable ledger;	2.0
Feb 9	Respond to creditor enquiries; discuss lease amendments with F. Tan;	1.0
Feb 27	Review weekly BBC;	0.5
Feb 28	Review proposed cheque run;	0.5
Feb 29	Review weekly cash flow vs. actual and discuss the same with D. Forer and F. Tan.	1.5
TOTAL - T. Powell		21.0 hrs.





May 9, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period March 1 to March 31, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	63.60	\$595	\$37,842.00
P. Boparai, Senior Director	9.50	450	4,275.00
C. Beveridge, Senior Director	56.25	350	19,687.50
T. Powell, Manager	28.00	300	8,400.00
	<u>157.40</u>		<u>70,204.50</u>
Add: out of pocket expenses			
The Globe and Mail Advertisement			4,902.74
The Vancouver Sun Advertisement			1,540.62
Courier fees			48.36
Add: HST (12%)			<u>9,203.55</u>
TOTAL INVOICE			<u>\$85,899.77</u>

Mail Instructions:Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6**Wire Instructions:**Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #10**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. – 87138 Invoice #10

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Mar 1	Email with M. Buttery regarding Directors' D&O coverage and related issues; telephone conversation with [REDACTED] regarding employment contract and related obligations; general file administration.	1.5
Mar 2	Review of January 2011 financial statements and operating performance; internal discussion and preparation for a conference call with Company regarding January results; review of [REDACTED] employment contract and telephone conversation with [REDACTED] regarding same; preparation for and attend on call with Company regarding status update, SISP update and related matters.	2.6
Mar 5	Review of various matters including Claims Process, Transition Services under APA and Vesting Order matters; review of BIA and CCAA provisions regarding assignment of agreements and distribution of sales proceeds; email to Faskens regarding [REDACTED] employment contract and potential claims.	3.5
Mar 6	Review of various emails and general file administration.	0.5
Mar 7	Review of weekly (Mar 2) cash flow forecast and budget to actual results; review status of SISP.	1.0
Mar 8	Review of weekly (Mar 2) cash flow forecast and budget to actual results.	1.0
Mar 9	Draft email/memorandum to Blakes and Faskens regarding planning items including Claims Process, APA, Transition matters and related issues; email to M. Buttery regarding Directors' D&O coverage; receipt and review of email from Faskens regarding D. Alves employment contract; draft outstanding planning list and remaining CCAA matters' internal discussion regarding updated cash flow forecast and related matters.	4.0
Mar 12	Update of planning memorandum and review of outstanding matters.	2.0
Mar 13	Preparation for and attendance at meeting with Blakes and Faskens regarding Claims Process, Distribution Order, Vesting Order and Stay Extension Order and related planning matters.	2.2
Mar 14	Telephone conversation with D. Gumprich regarding SISP status, various information requests, cash flow requirements; receipt and review of draft APA (Torys' version).	2.3
Mar 15	Review of draft APA and summarize notes; update planning memorandum; email to D. Gumprich regarding information requirements; review actual to budget cash flow forecast (Mar 9).	1.5

Sterling Shoes, Inc. – 87138 Invoice #10

Mar 16	Review of APA and forward to Faskens for review; email to D. Gumprich regarding various information requests; telephone conversation with D. Gumprich regarding various matters; telephone conversation with M. Tomassetti regarding status of SISP.	1.0
Mar 18	Email and coordinate various information requests.	1.0
Mar 19	Review of cash flow forecast and planning matters; consideration of APA issues and internal meeting and discussions.	3.5
Mar 20	Internal meeting regarding Claims Process; receipt and review of cash flow forecast to June 30, 2012 and internal discussion; discussion and consideration of January and February financial statements against revised cash flow forecast; review of February 2012 financial statements.	2.2
Mar 22	Internal meeting and discussion regarding CapWest meetings with Callisto on APA; review of cash flow forecast and financial statements.	1.0
Mar 23	Telephone conversation with M. Tomassetti of CapWest re: updated on SISP.	0.5
Mar 24	Draft Monitor's Fourth Report; review weekly cash flow forecast budget to actual and February financial statements.	4.0
Mar 26	Email to P. Rubin at Blakes regarding April 2 application and Claims Process generally; various reporting matters and cash flow variance reporting; Draft of Monitor's Fourth Report; review of draft pleadings for April 2 hearing including Notice of Application, Gumprich #5 affidavit.	3.5
Mar 27	Prepare for and attend on conference call with BMO, CapWest, and Sterling regarding status of SISP and prospective buyer; internal discussion regarding Claims Process and review of draft materials; draft Fourth Report and email to A. Crabtree at Blakes.	6.7
Mar 28	Draft Monitor's Fourth Report; telephone conversation with D. Gumprich regarding his affidavit and related pleadings; review revised cash flow forecast and rep letter; email to M. Buttery regarding Directors and extension of D&O coverage.	5.5
Mar 29	Draft and edit of Monitor's Fourth Report; telephone conversation with D. Gumprich on related matters; emails to Faskens and A. Crabtree regarding lease amendments and various other matters.	4.5

Sterling Shoes, Inc. – 87138 Invoice #10

Mar 30	Draft and edit of Monitor's Fourth Report; review of term sheet and related materials; receipt and review of revised Forbearance Agreement from BMO; prepare for and attend on call with Blakes regarding revised Forbearance Agreement; telephone conversation with S. Rausch from Stonebridge Capital regarding status of APA and Callisto; telephone conversation with D. Gumprich regarding BMO; meeting and discussion with M. Tomassetti regarding status of SISP; telephone Faskens regarding Monitor's report and pending Court application; telephone conversation with D. Alves, D. Gumprich and Blakes regarding BMO Forbearance and Callisto offer.	4.6
Mar 31	Review execution copy of BMO Forbearance Agreement; review analysis of offers; review Callisto LOI (revised); draft email to D. Gumprich and Blakes regarding LOI; email to Faskens regarding update on LOI and Forbearance Agreement.	3.5
TOTAL – T. Martin		63.6 hrs.

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<u>Pam Boparai</u>	<u>Description</u>	<u>Hrs.</u>
Mar 8	Correspondence with Blakes and FMD re: proposed mutual lease assignment and landlord release issues.	1.0
Mar 9	Conference call with D. Gumprich re: proposed sales transaction and transitional matters; internal discussions regarding same.	1.0
Mar 12	Review and comment on summary of outstanding and go forward CCAA matters and related strategy for purposes of meeting with Company and legal counsel; internal discussion regarding same; telephone discussion with D. Gumprich regarding Century and related deposit refund as well as outstanding amounts due; brief discussion re: forbearance agreement renewal matters.	1.5
Mar 13	Review email correspondence re: outstanding expenses to be invoiced to Century and utilities and related expense matters; discuss same with D. Forer and D. Gumprich.	0.5
Mar 24	Creditor correspondence and general status update.	0.5
Mar 26	Review proposed Company communications to stores regarding sales process and restructuring status update; provide comments re: same; review CCAA status.	0.5
Mar 27	Review and provide comments regarding claims process order; conference call with BMO; internal discussions regarding CCAA status.	2.5
Mar 28	Review various emails and discuss claims process order.	1.0
Mar 30	Review of draft forbearance agreement; correspondence with Mr. Andijar of Sports Industry Creditor Association.	1.0
TOTAL - P. Boparai		9.5 hrs.



Sterling Shoes, Inc. – 87138 Invoice #10

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 1	Attend on weekly call with M. Tomassetti to get update on the sale process.	0.5
Mar 8	Attend meeting with M. Tomassetti to discuss progress with Callisto regarding due diligence process.	1.0
Mar 9	Review papers received from CapWest on the sale process.	0.5
Mar 13	Attend meeting with Blakes and Faskens to discuss the claims process.	3.5
Mar 15	Review information from CapWest.	1.0
Mar 16	Review latest company model.	1.0
Mar 19	Prepare materials; internal discussion with T. Martin.	1.0
Mar 20	Review of cash flows and comparison to January and February results.	2.5
Mar 21	Perform detailed review of financial model in advance of filing revised cash flow.	5.0
Mar 22	Review of assumptions contained in the model; draft memo to F. Tan; review work plan.	5.0
Mar 23	Attend on conference call with D. Alves, F. Tan and Richters regarding the model.	3.0
Mar 26	Review of Sterling model and preparation of the report.	4.0
Mar 27	Review of cash flow forecast and update assumptions for recent performance; review draft of the report and update numbers; internal discussion with T. Martin re: the Monitor's Fourth Report; review list of questions with F. Tan and receive responses; review changes to the model.	5.0
Mar 28	Review model; revise report; attend on call with G. Benchaya from Richters; attend on call with D. Alves and F. Tan on final model.	5.5
Mar 29	Finalize financial model with F. Tan; attend on call with D. Gumprich, G. Benchaya and F. Tan to discuss final changes; draft Monitor's Fourth report on forecast; review other sections of the report.	9.0



Sterling Shoes, Inc. – 87138 Invoice #10

Mar 30	Call with Blakes on SISP; attend meeting with M. Tomassetti on latest offer from Callisto/Town Shoes; review of offer and provide comments; internal discussion with T. Martin.	6.75
Mar 31	Review of revised offer received and comparison of prior offers; email to D. Gumprich with comments.	2.0
TOTAL – C. Beveridge		56.25 hrs.



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<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 1	Review second weekly cheque run requests; attend to file administration; telephone call with D. Forer.	1.0
Mar 2	Respond to creditor and landlord enquiries; review borrowing base calculation.	1.0
Mar 5	Respond to creditor enquiries; correspondence with F. Tan; review updated PO schedule.	1.0
Mar 6	Review weekly forecast results versus actual and provide comments to F. Tan; review covenant calculations; review and approve weekly cheque run.	2.5
Mar 12	Review borrowing base calculation; review expense summary regarding Century agency agreement.	1.0
Mar 13	Review weekly cheque run; review borrowing base calculation.	1.0
Mar 14	Review weekly cash flow versus forecast; review flow of funds reconciliation; review adjustment to historical receipts and consider impact on bank covenants.	2.5
Mar 15	Review second weekly cheque run to trade suppliers; review internal workplan; various correspondence with F. Tan regarding large deposits posted and clarification of allocation to post-filing amounts owed by Sterling.	1.5
Mar 19	Review borrowing base calculation; discuss potential employee and landlord restructuring claims with D. Forer.	1.0
Mar 21	Respond to enquiries from creditors; telephone conversation with City of Calgary regarding arrears business tax; respond to enquiries from F. Tan regarding classification restructuring claims versus pre-filing claims and discussion regarding specific claim items.	2.0
Mar 26	Various telephone and email correspondence with F. Tan and A. Yu.	0.5
Mar 27	Hold meeting at Sterling offices with D. Gumprich, A. Yu, F. Tan and D. Forer regarding the claims process and draft claims process order, notification requirements and proposed key dates.	3.5
Mar 28	Review draft claims process; discussions with Monitor's counsel regarding claims process; prepare cash flow section of Monitor's Fourth Report; review weekly cheque run; review weekly cash flow versus forecast and bank covenant calculations.	4.5

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Mar 29	Review updated financial model and discuss changes with F. Tan; revise draft Monitor's Fourth Report sections.	2.5
Mar 30	Draft plan for claims process order and disseminate to member of the company attending to the process; attend to website updates; respond to queries from A. Yu regarding the same.	2.5
TOTAL - T. Powell		28.0 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

May 23, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period April 1 to April 30, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	96.80	\$595	\$57,596.00
P. Boparai, Senior Director	13.75	450	6,187.50
C. Beveridge, Senior Director	27.00	350	9,450.00
T. Powell, Manager	64.50	300	19,350.00
	<u>202.05</u>		<u>92,583.50</u>
Add: HST (12%)			<u>11,110.02</u>
TOTAL INVOICE			<u>\$103,693.52</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #11**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. – 87138 Invoice #11

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Apr 2	Emails to D. Toigo at Faskens regarding Court application; receipt and review of language regarding Transition Services provisions in the APA; telephone conversation with D. Gumprich regarding the APA and related matters; draft email to D. Gumprich on related APA matters; prepare for and attend on conference call with Company; internal discussion regarding Claims Process and re-confirm key dates and timeline.	4.0
Apr 3	Email to D. Gumprich regarding employee claims; email to K. Jackson at Faskens regarding employee claims; internal meeting and discussion regarding Claims Process; internal meeting and discussion and telephone conversation with M. Tomassetti of CapWest regarding status of APA; conference call with D. Gumprich and team regarding Claims Process.	2.7
Apr 4	Internal meeting and discussion regarding status and related issues re: Claims Process; deal with release of deposit to Century; email to K. Jackson of Faskens regarding APA; telephone conference with D. Gumprich and D. Forer regarding transition agreement; telephone conversation with D. Gumprich regarding APA; review latest draft of APA and email to Faskens; conference call with Company, Blakes and CapWest on status and outstanding issues regarding APA.	6.2
Apr 5	Review of APA amendments and edits; conference call with Faskens regarding outstanding points on APA; telephone conversation with M. Tomassetti regarding outstanding issues; review of APA and discussion and review of outstanding matters with S. Custodio of Faskens.	5.5
Apr 9	Email to CapWest regarding status of APA; telephone conversation with D. Gumprich regarding transition agreements and staffing/retention matters.	0.7
Apr 10	Telephone conversation with M. Tomassetti regarding APA and various matters; emails to Faskens and Blakes regarding APA; review email from CapWest regarding language around Employment Agreements.	0.5
Apr 11	Telephone conversation with M. Tomassetti of CapWest; review APA and related emails; telephone conversation with D. Gumprich, S. Custodio of Faskens and CapWest regarding various matters in the APA; telephone conversation with K. Jackson at Faskens regarding Employment Agreements; email to D. Alves regarding update on APA; telephone conversation with D. Alves regarding transition planning.	5.0



Sterling Shoes, Inc. – 87138 Invoice #11

Apr 12	Review of transition planning points; draft outline of Monitor's Fifth Report; telephone conversation with M. Tomassetti of CapWest regarding status and outstanding matters; receipt and review of draft Assignment Order from Blakes and email to Faskens regarding same; telephone conversation with D. Gumprich regarding various matters on APA; telephone conversation with M. Tomassetti, S. Rausch of Stonebridge and K. Jackson of Faskens; review latest draft APA and comments of Faskens on Assignment Order.	5.5
Apr 13	Complete review of latest draft of APA; review P. Boparai and K. Jackson comments on Assignment Order; receipt and review of draft Vesting Order; telephone conversation with D. Cohn of Gowlings regarding review of APA and BMO concerns; review of draft Gumprich #6 Affidavit; telephone conversation with K. Keilty on outstanding matters; review Torys markup of Assignment Order.	5.1
Apr 14	Review draft of APA; telephone conference with M. Tomassetti and K. Keilty of Blakes regarding various matters on APA; draft outline of Monitor's Fifth Report; review pro-forma calculations of retail value.	2.7
Apr 15	Draft Monitor's Fifth Report and email to Faskens; draft APA section of Monitor's Fifth Report; Review of Torys markup of Assignment Order and other matters.	3.5
Apr 16	Email to K. Jackson and S. Custodio regarding final comments on APA; attend Sterling offices and review Assigned contracts and leases; email to Blakes regarding Assignments and monetary defaults; draft of Monitor's Fifth Report.	10.4
Apr 17	Prepare for and attend on conference call with Blakes and Faskens regarding Notice of Application, Monitor's Proposed Report and other matters; review affidavit of Gerhardt; review letter to landlords from Blakes and Gumprich #6 Affidavit.	1.3
Apr 18	Telephone conversation with K. Jackson regarding liquidation and Assignment Order from Torys.	1.5
Apr 19	Draft Monitor's Fifth Report, review draft liquidation analysis and internal discussion regarding same.	4.5
Apr 23	Telephone conversation with J. Del Broco of BMO; internal meeting and discussion regarding Claims Process and liquidation analysis; draft Monitor Fifth Report; telephone conversation with D. Alves and D. Forer regarding Phase II Liquidation and APA.	4.4

Sterling Shoes, Inc. – 87138 Invoice #11

Apr 24	Email to K. Jackson regarding draft Monitor's Report; telephone conversation with C. Lessard of Bell Canada; telephone conversation with A. Crabtree, D. Gumprich and Faskens regarding Bell Canada; edits and drafting of the factual accuracy review of Monitor's Report; review Faskens edits on Monitor Report.	8.5
Apr 25	Finalize Monitor's Fifth Report; telephone conversation with C. Lessard of Bell Canada; email to Blakes and D. Gumprich regarding Bell Canada; telephone conversation with D. Gumprich regarding Monitor's Report and Bell Canada; telephone conversation with P. Rubin of Blakes regarding Assignment of Contracts; email to V. Tickle and P. Rubin regarding various matters.	6.2
Apr 26	Telephone conversation with C. Lessard at Bell Canada; review status of Claims Process; review RFP/liquidation plan; renew cash flow variance analysis; telephone conversation with D. Forer regarding RFP; receipt and review of revised Assignment Order and email to Faskens; email to Richters regarding liquidation analysis.	5.4
Apr 27	Review potential monetary defaults on contract assignment; telephone conversation with V. Tickle regarding Assignment Order; attend meeting at Sterling with D. Alves and D. Forer to renew liquidation proposals; meeting with F. Tan regarding outstanding amounts with Assigned Contracts; review of proposals from GB and GAG.	5.5
Apr 28	Draft Monitor's Sixth Report and review of liquidation proposals; review draft of Agency Agreement and email comments; review of financial analysis and email to D. Forer.	3.0
Apr 30	Prepare for and attend at Court regarding Notice of Application; review liquidation analysis with C. Beveridge; cash flow review AA; draft Monitor's Sixth Report; telephone conversation with D. Gumprich; internal discussion regarding revised cash flow forecast and related matters.	4.7
TOTAL – T. Martin		96.8 hrs.

Sterling Shoes, Inc. – 87138 Invoice #11

<u>Pam Boparai</u>	<u>Description</u>	<u>Hrs.</u>
Apr 3	Email and telephone discussion with D Gumprich re: deposit return, review of agency agreement; discuss same with FMD re: Monitor's release of deposit and related correspondence to parties. Correspondence with Sports Industry Canada.	1.0
Apr 9	Review draft APA.	2.0
Apr 11	Review draft APA; attend to discussions regarding outstanding conditions.	1.5
Apr 12	Review of draft APA and provide comments; attend to email correspondence re: APA and CCAA matters; telephone call from Convertible debenture holder and former employee.	2.5
Apr 18	Attend to telephone discussion with SICA; discussion with Florence Tan regarding telecom matters; review liquidation documentation and attend to email correspondence.	1.0
Apr 19	Discussion with CapWest re: liquidation proposal; internal discussion with T. Powell re: assignment matters; internal discussion with T. Martin re: liquidation and assignment matters; telephone discussion with K. Jackson re: liquidation.	1.5
Apr 23	Review assignments; attend to conference call with Callisto and BMO; attend to notes to file regarding review of proposed assignments.	1.0
Apr 26	Telephone discussions with D. Forer re: bidding procedures; attend to emails to/from Richters regarding same; review RFP and discuss internally.	0.75
Apr 27	Meeting at premises re: liquidation proposals; review RFP results and review on-going CCAA matters.	2.5
TOTAL - P. Boparai		13.75 hrs.

Sterling Shoes, Inc. – 87138 Invoice #11

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Apr 1	Discussion with T. Martin and M. Tomassetti on the Callisto offer and the sale process.	1.0
2	Review of data supplied by CapWest.	1.5
3	Call with M. Tomassetti and review of APA.	1.0
4	Review of the APA; review of weekly cash flow actual vs budget.	2.5
5	Review of information to back up cash flow.	1.5
9	Review of the weekly BBC report for BMO.	1.0
10	Call with M. Tomassetti.	1.0
11	Discussion with T. Martin on process.	1.0
17	Discussion with T. Martin; analysis of the latest offer received; review content requirements for next report to Court; emails to CapWest.	2.0
24	Attend to sale process; review of report; discussions with F. Tan on the financial model; review of latest cash flow forecast.	2.5
25	Cash flow discussion with T. Martin and F. Tan regarding the sale process; emails regarding the model.	1.5
26	Discussion on cash flow structure for model going forward.	0.5
27	Attend to creditors claim process; review and organize claims received.	2.0
30	Liquidation analysis to compare offer received from Town; review of potential claims from employees, landlords and other; perform detailed analysis of Town offer including potential working capital adjustments; review of cash flow and discussion with T. Martin regarding same.	8.0
TOTAL – C. Beveridge		27.0 hrs.

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<u>Tom Powell</u>	<u>Description</u>	<u>Hrs.</u>
Apr 2	Respond to creditor enquiries; review draft claim amount notice template and discuss the same with A. Yu; review Faskens and Blakes comments regarding the claim amount notices; attend to newspaper notice; various correspondence with D. Gumprich; forward copies of the mail out documents to D. Gumprich; review weekly BBC; discuss mail merge with A. Yu.	5.5
Apr 3	Attend call with Sterling management regarding the claims process; attend call with Faskens regarding the claims process; review proposed cheque run and discuss the same with F. Tan; attend to website updates; various correspondence with the web developer; review draft weekly cash flow versus forecast.	4.0
Apr 4	Respond to creditor enquiries; respond to claims process enquiries; respond to enquiries from former employees.	1.0
Apr 5	Oversee mail out regarding the claims process; attend site and review mail out packages; review distribution list and discuss same with A. Yu, D. Forer and F. Tan; discuss specific creditor issues with A. Yu; ensure mail outs were performed in accordance with the claims procedure Order.	5.0
Apr 9	Review weekly borrowing base calculation; various correspondence with A. Yu; document mail out; respond to enquiries from creditors regarding their claim amounts.	1.5
Apr 10	Various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	2.5
Apr 11	Review draft weekly cash flow versus forecast and ending cash position; respond to enquiry from D. Eagemon regarding potential payment of a pre-filing amount owing; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	2.0
Apr 12	Review proposed cheque run and discuss the same with F. Tan; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms; distribute claims package to additional creditors in response to requests.	3.5
Apr 13	Respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms; discussions with transfer agent regarding ability to submit claim on behalf of all debenture holders; discuss revisions to accrued interest calculation proposed by transfer agent in accordance with stay of proceedings in the initial Order.	2.5

Sterling Shoes, Inc. – 87138 Invoice #11

Apr 16	Review borrowing base calculations; review proof of claim forms; numerous calls and emails from creditors including former employees; discussion regarding wage claims.	2.0
Apr 17	Respond to enquiries from shareholders and debenture holders regarding potential recovery; review proposed cheque run and discuss the same with F. Tan; review draft forecast versus actual weekly cash flow and ending cash position; review contract proposed for assignment in the sales transaction; respond to creditor enquiries.	3.5
Apr 18	Review all contracts for assignment in the proposed sales transaction and document the same; review weekly bank reconciliation and ending cash position; finalize actual versus forecast cash flow; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	5.5
Apr 19	Correspond with counsel for a creditor; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	1.5
Apr 20	Review liquidation analysis prepared by D. Forer; review monthly borrowing base calculation; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	3.0
Apr 23	Respond to enquiries from debenture holders; attend to website updates; follow up on certain liquidation analysis items with D. Forer including inventory adjustment support, incremental landlord claims for proposed closures, incremental employee claims, liquidation inventory by store and liquidation recovery assumption; review offer analysis prepared by CapWest; review borrowing base calculations; review estimate working capital accounts and related adjustment.	4.5
Apr 24	Attend to further documentation of assignment agreements reviewed; further liquidation analysis review and follow up as described in memo for April 23, 2012; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms; reconcile store closure lists in various court materials; revise lease disclaimer calculations provided; enquire regarding negative accounts receivable book balance; format cash flow variance analysis in report format as requested by C. Beveridge.	6.5
Apr 25	Review correspondence from former director; update service list on the website; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	2.0

Sterling Shoes, Inc. – 87138 Invoice #11

Apr 26	Respond to enquiry from A. Yu regarding treatment of certain creditors; respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	1.5
Apr 27	Respond to various enquiries from employees, landlords, debenture holders and trade creditors regarding the claims process and related forms.	2.0
Apr 30	Discussion with D. Gumprich regarding claims process; discuss liquidation analysis with C. Beveridge; review landlord claims status; review inventory level by store; review and analyze estimated head office and executive claims with C. Beveridge; review proposed cheque run.	5.0
TOTAL – T. Powell		64.5 hrs.





July 3, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period May 1 to May 31, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>Core CCAA Monitor Team</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	61.6	\$595	\$36,652.00
P. Boparai, Senior Director	8.0	450	3,600.00
C. Beveridge, Senior Director	74.0	350	25,900.00
T. Powell, Manager	69.5	300	20,850.00
M. Lee, Executive Assistant	30.25	200	6,050.00
	243.35		93,052.00

Inventory Count Personnel (Alta & Ont A&M)

A. Yandreski, Senior Director	2.7	450	\$1,215.00
E. Allin, Director	3.0	350	1,050.00
S. Moore, Director	2.5	350	875.00
J. Strueby, Associate	5.0	275	1,375.00
N. Macoritto, Associate	3.0	275	825.00
A. Noyek, Analyst	2.7	250	675.00
	18.9		6,015.00
	<u>262.25</u>		99,067.00

Add: out of pocket expenses

Travel costs (car, mileage, parking)	459.22
Postage (registered mail, regular mail)	392.00
Courier fees (Federal Express)	24.71
Solera Marketing (website maintenance)	451.23
Chargeable meals	21.58
	<u>1,348.74</u>

Add: HST (12%) 12,049.89

TOTAL INVOICE **\$112,465.63**

Sterling Shoes, Inc. - 87138

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #12
GST: 83486 3367 RT0001



<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
May 1	Drafting and edit of Monitor's Sixth Report; telephone conversation with [REDACTED] regarding transition services and retention matters; review of employee analysis prepared by D. Gumprich; review Great American comments on Agency Agreement received from Blakes; conference call with D. Alves and D. Gumprich regarding status of Town Shoes APA; review of turn of Agency Agreement from McMillan (counsel to Great American).	4.2
May 2	Drafting and edit of Monitor's Sixth Report and internal discussion regarding same; Review of comments from McMillan on Agency Agreement and various emails to M. Wong at Blakes; Review draft Order re: Agency Agreement; review of 4 Wall analysis on store performance received from D. Gumprich regarding proposed closure of remaining stores.	5.7
May 3	Drafting and edit of Monitor's Sixth report; review of emails from M. Chow and P. Rubin regarding the Agency Agreement; internal discussion regarding status of Claims Process and follow up; telephone conversation with P. Rubin regarding landlord claims and related matters; review of final McMillan comments on Agency Agreement and draft timetable by M. Wong; telephone conversation with convertible debenture holder; email from/to miscellaneous inventory liquidator; email to Faskens regarding convertible debenture holders; review draft Notice of Application, D. Gumprich Affidavit and Order in respect of Agency Agreement.	6.0
May 4	Review of draft Notice of Application, D. Gumprich Affidavit #7; Amend and edit Monitor's Sixth Report; wire instructions and return of deposits; telephone conversation with P. Rubin regarding Directors and Officers insurance matters; telephone conversation with D. Gumprich regarding an update on various matters including inventories, banking matters and the Claims Process.	2.8
May 7	Review Claims Process materials; telephone conversation with D. Gumprich and F. Tan regarding landlord matters; internal discussion regarding Claims Process and next steps; email to Faskens regarding various Claims Process matters.	3.0
May 8	Review of Claims Process materials and analysis; telephone discussion with V. Tickle of Faskens regarding claims issues and closing matters.	1.5
May 9	Internal discussion regarding transition matters at Sterling; consideration of Directors and Officers matters.	2.0
May 10	Internal discussions regarding inventory counts; review of listing of closing stores under Phase II liquidation; review M. Chow emails regarding letters of credit matters; internal discussion regarding Claims Process.	1.5

Sterling Shoes, Inc. - 87138

May 11	Preparation for and attendance at Board of Directors meeting; review of update to date claims register.	3.0
May 12	Review various proofs of claim; receipt and review of draft closing agenda prepared by Blakes; review inventory taking instruction and internal discussion regarding same; review timelines for reporting and Claims Process.	1.5
May 14	Internal meeting regarding potential disallowances and revision to proofs of claim; telephone conversation with D. Gumprich regarding various employee and landlord claims; telephone conversation with P. Rubin regarding employee and landlord claims; review of landlord claims and preparation/edit of Notices of Disallowance and Revision.	4.0
May 16	Telephone conversation with K. Jackson and V. Tickle regarding proofs of claims matters; telephone conversation with P. Rubin and A. Crabtree of Blakes regarding proofs of claims matters; internal discussion regarding Claims Process; review of select leases; review of notices under Agency Agreement; review of updated draft closing agenda prepared by Blakes.	4.0
May 17	On-going review of proofs of claim; review of working capital adjustment proforma calculation under APA; telephone conversation with M. Tomassetti at CapWest; telephone conversation with K. Jackson and P. Rubin regarding proposed treatment of employee claims; telephone conversation with S. Custodio at Faskens regarding closing agenda and directions pay from Monitor and Faskens; review of various drafts of Monitor's Directions to Pay and other related closing documents; email to D. Gumprich regarding [REDACTED] calculation and escrow amount; telephone D. Gumprich regarding various closing matters.	3.5
May 18	Proofs of claim review and related process; review and amend closing documentation and numerous emails to Blakes regarding pre-closing documentation; email to D. Gumprich regarding landlord and employee claims.	4.6
May 19	Review of closing documentation and proofs of claim.	1.0
May 22	Telephone conversation with N. Kim at Blakes regarding closing documents and Monitor's Direction to Pay; various and numerous emails regarding closing; telephone conversation with representative of Fortis; receipt of escrow funds at closing and confirmation to Blakes of same; review and execute Notices of Disclaimer relating to numerous closing stores; telephone conversation with M. Tomassetti of CapWest.	3.2

Sterling Shoes, Inc. - 87138

May 23	Email to P. Rubin and K. Jackson regarding timing of next Monitor reporting and related matters; telephone conversation with M. Tomassetti regarding status and closing matters; review draft outline of Monitor's Seventh Report with C. Beveridge; telephone conversation with A. Crabtree regarding employee termination notices; telephone conversation with D. Gumprich regarding employee claims.	1.7
May 24	Preparation for and attendance at Sterling for meeting with D. Gumprich and F. Tan regarding cash flow forecast preparation, status of Great American liquidation, Directors and Officers matters, overhead costs and other related matters.	1.0
May 28	Email and internal discussion regarding cash flow forecast; telephone conversation with P. Rubin and A. Crabtree regarding reporting matters.	0.3
May 29	Internal discussion and meeting regarding Monitor's Seventh report and related matters; review of inventory count reconciliation.	1.0
May 30	Review of inventory count reconciliation and cash receipts issues.	0.5
May 31	Preparation for and attend meeting with S. Smith of Great American at Sterling's offices to discuss status of liquidation and cash flow issues; meeting with D. Gumprich regarding various matters.	2.9
TOTAL – T. Martin		61.6 hrs.

Sterling Shoes, Inc. - 87138

<u>Pam Boparai</u>	<u>Description</u>	<u>Hrs.</u>
May 1	Review of draft agency agreement and provide comments to Blakes and Sterling; review of inventory cost file and minimum guaranteed amount; telephone discussion with M. Chow at Blakes re: draft agency agreement; conference call with FMD, Blakes and Monitor.	2.5
May 2	Review of changes to the draft agreement; email correspondence re: definitions and cost to retail value matters; attend to various email correspondence; consider related LC and charges.	1.5
May 9	Telephone discussion with landlord re: inventory liquidation process and related timeline; review of exhibits to agency agreement; attend to various email correspondence and creditor enquiries.	2.5
May 10	Attend to various email correspondence and internal discussions re: on-going CCAA Proceedings.	1.0
May 22	Telephone discussion with Sports Industry Canada and review of report and cash flow related matters.	0.5
TOTAL – P. Boparai		1.0 hrs.

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<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 1	Review of APA, report format, cash flow forecast review and discussions with F. Tan.	6.5
May 2	Review of weekly cash flow vs. budget; review of forecast; discussions with T. Martin and F. Tan. Drafting sections of court report; documenting assumptions for the cash flow and reconciling company forecast numbers.	8.25
May 3	Review of latest cash flow; calls with D. Forer and F. Tan; emails to D. Gumprich. Discussions with TMM on the forecast cash flow. Finalize report sections and check data to source	4.0
May 4	Finalize 6 th court report and discuss working capital adjustment estimate with CapWest.	1.0
May 9	Review of weekly cash flow budget vs actual.	0.5
May 10	Planning inventory counts for Great American; internal discussion with T. Martin; calls to F. Tan and D. Forer requesting additional information; emails to A. Yandreski and O. Konowalchuk in Toronto and Calgary offices; updated inventory count memo and obtained inventory valuations.	5.5
May 11	Finalized arrangements for inventory count including A&M staff and Sterling contact persons; review agency agreement to ensure that count instructions followed the agreement and amended instructions accordingly for latest retail price; finalize instructions and answer queries from A&M staff.	4.0
May 14	Attendance at Sterling inventory count (Park Royal, West Vancouver).	2.0
May 15	Summarize inventory counts for Great American liquidation; revise count instructions for Town Shoes inventory counts; review of budget vs. actual for week ending May 12, 2012; email to P. Rubin on the cash flow.	3.0
May 16	Attend to landlord letters; discussion with T. Martin on letters; instruct M. Lee on letters; review report contents for next report.	3.0
May 17	Review of working capital for Town Shoes closing; discussion with D. Forer on the same; check working capital estimate against previous company estimate and CapWest calculation.	4.5
May 18	Review of CapWest invoice; discussion with D. Gumprich on inventory counts and working capital adjustments.	0.75
May 22	Memo to A&M offices for Town Shoes counts; call to D. Gumprich on counts; lease summary prepared for comparison on landlord claims.	1.0



Sterling Shoes, Inc. - 87138

May 23	Finalize Town Shoes count instructions; discussion with Calgary and Toronto offices on staffing and new instructions; emails/discussion with Sterling on the same; internal discussion on requirements for next court report; tested results of Great American counts against RGIS data files received.	4.5
May 24	Finalize results from Great American counts; meet with D. Gumprich and F. Tan on claims process and cash flow.	4.0
May 25	Drafting Monitor's Seventh Report for court; emails to Company/Blakes requesting additional information.	3.0
May 27	Attendance at Shoe Warehouse count for Town Shoes at Capilano Mall, North Vancouver.	2.0
May 28	Attendance at inventory counts at West Broadway, Distribution Centre, Kerrisdale and Lansdown Mall, Richmond.	8.5
May 29	Call with D. Gumprich on inventory count variances; Attendance at final inventory count at Lougheed; follow up on the comparison of the old count data for Great American; input count data from recent counts.	4.5
May 30	Review of RGIS data received from Company for Town Shoes counts; summarize information; review of cash flow; preparation of lease summary.	2.0
TOTAL – C. Beveridge		74.0 hrs.

<u>Tom Powell</u>	<u>Description</u>	<u>Hrs.</u>
May 1	Respond to enquiries regarding claims process; attend to website updates; review bank reconciliation; review weekly cash flow versus forecast and variance analysis; attend to file administration.	2.0
May 2	Respond to enquiries from debenture holders regarding claim filed by transfer agent; various correspondence with the transfer agent; format forecast model output schedule; correspondence with A. Yu regarding reconciliation of trade accounts payable claims; recalculate accrued interest on the debentures; respond to enquiries from creditors; review trade payments.	3.0
May 3	Respond to enquiries from creditors regarding the claims process; review claims received to date; internal meeting with M. Lee regarding claims tracking; discuss status of landlord claims with F. Tan; review employment standards claim calculations prepared by Sterling; provide summary of claims received to date to D. Gumprich; internally circulate claims tracking sheet.	3.5
May 4	Respond to enquiries from creditors with claims; consolidated Notice of Claim Amount creditors into claims tracking sheet; attend to file administration; telephone discussions with F. Tan regarding cash flow and claims process.	2.0
May 7	Document claims notices including proofs for newspaper advertisements and claims notices sent; update claims tracking sheet; review proofs of claim received that vary from the books and records; discuss landlord claims with F. Tan; discuss employee claims with D. Forer; attend call with D. Gumprich; attend call with Faskens regarding landlord claims; review the borrowing base calculation; respond to enquiry from D. Forer regarding additional employee creditors that required notice; respond to enquiries from debenture holders.	3.5
May 8	Respond to creditor enquiries; obtain contact information for landlords and their counsel where applicable; discuss claims reconciliation with A. Yu and D. Eamogen; correspond with Blakes regarding landlord addresses used on disclaimers versus those used to notify landlords of claims process; attend call with Faskens regarding potential follow up with landlords.	4.0
May 9	Attend to website updates; discuss status of landlord claims with the company; review status of claims reconciliation for trade accounts payable claims; internal meeting with M. Lee to discuss claims received and tracking sheet; correspond with counsel for various landlords; review inventory count schedule; respond to various enquiries from creditors regarding the claims process; respond to voicemails from potential creditors; review updated claims tracking sheet; review proof of claim forms received.	7.5

Sterling Shoes, Inc. - 87138

May 10	Internally discuss inventory count methodology with C. Beveridge; respond to creditor enquiries; format claims tracking sheet; comment on claims listing; review proof of claim forms received; provide claims summary to D. Gumprich; attend to website updates; update claims summary.	5.0
May 11	Review inventory count procedures memo; review additional claims received; review updated claims tracking sheet; correspond with transfer agent for the debentures.	2.0
May 13	Attend to file administration; provide scans of proof of claim forms requiring reconciliation to A. Yu.	1.0
May 14	Respond to queries from inventory counters; attend inventory count and document results; review weekly borrowing base calculation; draft memo to D. Gumprich regarding categories of claims and approach to review and approval, revision or disallowance; correspond with A. Yu regarding HST reassessment; attend to website updates; review calculation of statutory amounts owing to terminated store employees prepared by D. Forer.	7.5
May 15	Conference call with A. Yu regarding strategy for addressing accounts payable reconciliation; review expected disbursements listing; review revised inventory count instructions; respond to creditor enquiries regarding the claims process; correspond with Blakes; review updated schedule of statutory amounts owing to terminated store employees and provide comments; review schedule of head office employees that have been terminated and related contractual or statutory amounts owing as a result of length of service.	2.0
May 16	Review updated employee claims listing; attend call with Faskens regarding landlord claims; attend call with Faskens regarding the debentures; provide comments on claims listing; respond to enquiry from A. Yu and D. Eamogen regarding reconciliation of pre-filing creditor claims; attend call with Blakes; prepare notices of revision or disallowance; prepare draft mail merge document for distributing notices of revision or disallowance; review trade accounts payable proof of claim forms.	8.0
May 23	Agreeing inventory count test counts to RGIS output and reconciling difference; respond to enquiries from employees with restructuring period claims; review proposed cheque run.	1.5
May 24	Discuss Notices of Revision or Disallowance with certain creditors; respond to enquiries from creditors; explain statutory claim calculation to certain employees; enquire with D. Forer regarding claim calculations for certain employees.	3.0
May 25	Correspond with D. Forer regarding certain disputed claims; various correspond with D. Gumprich; correspondence with creditors regarding Notices of Revision or Disallowance or subject to dispute.	2.5

Sterling Shoes, Inc. - 87138

May 27	Attend inventory count and document results.	2.5
May 28	Call with A. Yu regarding potential claim by a factoring company and related implications; email to Sterling outlining options for treatment of the claim; call with vendor that had factored their receivable; tie through May 27 inventory count to RGIS count output and reconcile differences; correspondence with creditors who are former employees explaining Sterling's calculation of statutory amounts owed.	2.5
May 29	Respond to voicemails regarding creditor claims including employee severance claims; review proof of claim forms.	2.0
May 30	Review updated schedule of statutory amounts owed to employees that were terminated for store employees and head office employees.	1.0
May 31	Correspond with certain landlords regarding their claims; review landlord claim disputes received; review additional proof of claims received; correspond with debenture holders; various correspondence with D. Forer.	3.0
TOTAL - T. Powell		69.5 hrs.

Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 2	Create tracking sheet for proof of claim forms received and record data.	1.0
May 3	Track proof of claims.	1.0
May 5	Track proof of claims.	1.5
May 7	Track proof of claims.	1.0
May 9	Create landlord proofs of claims tracking sheet; track proof of claims; confirm addresses from mailout.	2.0
May 10	Track proofs of claims.	4.0
May 11	Track proof of claims; make copies; create binders of proofs of claims.	2.5
May 12	Make copies of proofs of claims and create binder.	5.0
May 14	Track proofs of claims.	1.5
May 16	Mailout to landlords; prepare notice of revision or disallowance mailout.	1.0
May 18	Prepare and mail notices of revision or disallowance to 133 creditors.	4.0
May 20	Prepare notice of revision or disallowance binders for Blakes.	3.25
May 24	Track notices of dispute and create binders.	0.5
May 30	Track proofs of claims and notices of dispute.	1.0
May 31	Track proofs of claims and notices of dispute.	1.0
TOTAL – M. Lee		30.25 hrs.

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<u><i>Andrea Yandreski</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 10	Coordination of A&M staff to attend inventory counts in Ontario.	0.5
May 11	Review of updated count procedures; preparation of internal correspondence regarding same.	0.6
May 14	Further coordination of A&M staff for inventory counts and discussions with staff regarding the changes to the count procedures; preparation of internal correspondence regarding same.	0.8
May 23	Review of Ontario inventory count sites; internal discussions regarding which Ontario sites need an A&M representative to attend; coordination of A&M staff to attend inventory counts.	0.8
TOTAL – A. Yandreski		2.7 hrs.

Sterling Shoes, Inc. - 87138

<u><i>Else Allin</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 16	Attended inventory count at Shoe Warehouse at Gerrard Square location in Toronto and completed specified inventory count procedures.	2.0
May 17	Documented results of specified inventory count procedures.	1.0
TOTAL – E. Allin		3.0 hrs.

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<u><i>Stephen Moore</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 14	Prepare for and attend inventory count in Burlington at Shoe Warehouse; and write-up of working papers for count results.	2.5
TOTAL – S. Moore		2.5 hrs.

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<u><i>Jill Strueby</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 27	Attended store locations in Calgary and performed inventory test count procedures.	4.75
May 28	Documented results of specified inventory count procedures.	0.25
TOTAL – J. Strueby		5.0 hrs.

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<u>Nick Macoritto</u>	<u>Description</u>	<u>Hrs.</u>
May 18	Attended store location, met with store manager and performed inventory test count procedures.	3.0
TOTAL – N. Macoritto		3.0 hrs.

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<u><i>Adam Noyek</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 25	Discussions with A. Yandreski and C. Beveridge; planning for inventory count.	0.5
May 28	Travel to Shoe Warehouse location; oversee inventory count being completed by RGIS and execute sample counts; travel back from location.	2.2
TOTAL - A. Noyek		2.7 hrs.



Alvarez & Marsal Canada Inc.
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August 9, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period June 1 to June 30, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	25.6	\$595	\$15,232.00
P. Boparai, Senior Director	0.5	450	225.00
C. Beveridge, Senior Director	51.5	350	18,025.00
T. Powell, Manager	28.5	300	8,550.00
M. Lee, Executive Assistant	5.5	200	1,100.00
	111.60		43,132.00
Add: out of pocket expenses			
Courier fees			24.81
Chargeable taxi fare			51.03
Add: HST (12%)			5,184.94
TOTAL INVOICE			<u>\$48,392.78</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #13
GST: 83486 3367 RT0001

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Jun 1	Review of draft claims register and internal discussion regarding claims process generally.	0.5
Jun 4	Internal discussion and meeting with C. Beveridge regarding inventory adjustments and related matters.	1.0
Jun 5	Internal discussion regarding draft of Seventh Report of Monitor, cash flow forecast and related matters; receipt and review of Notice of Application and Gumprich #8 Affidavit; internal discussion regarding format and outline of draft of Monitor's Seventh Report and cash flow forecast assumptions.	1.5
Jun 6	Drafting and editing of draft of Monitor's Seventh Report and internal discussion regarding stay extension and potential dividends/recoveries to unsecured creditors; internal discussion regarding status of claims process; review of proposed adjustment by Great America and internal discussion regarding same.	1.6
Jun 7	Email to T. Powell regarding claims process and Notices of Disallowances; receipt and review of inventory analysis and potential adjustments under Agency Agreement; preparation for meeting with D. Gumprich to discuss possible adjustments under Agency Agreement; review of revised cash flow forecast; telephone discussion with S. Friedman regarding transfer of claims; conference call with K. Jackson and V. Tickle regarding review of convertible debentures.	3.2
Jun 8	Review of draft of Monitor's Seventh Report and notes for C. Beveridge; telephone conversation with P. Rubin regarding claims process and landlord claims.	3.5
Jun 11	Update and edit draft of Monitor's Seventh Report; review Notice of Application and Gumprich #8 Affidavit; review emails regarding various Notices of Disallowance; dispatch various Notices of Disallowance; internal meeting regarding claims process and Monitor's reporting; telephone conversation with P. Rubin regarding Disallowances and various Notices of Disclaimer.	3.0
Jun 12	Review and consider comments on draft report by D. Gumprich and K. Jackson and finalize Monitor's Seventh Report; Review and sign Notices of Disclaimer for various landlords; email to Tanveer at Blakes; telephone conversation with D. Gumprich regarding Great American reconciliation.	3.0

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Jun 13	Notice of Disclaimer matters; telephone conversation with William at SICA regarding Monitor's Seventh Report; email to K. Jackson regarding Court hearing; Review of various Notices of Disallowance and employee claims with T. Powell; telephone conversation with D. Gumprich regarding renewal of D&O coverage and his discussion with Epic Capital.	1.4
Jun 14	Preparation for and attendance at Court regarding stay extension.	1.0
Jun 15	Internal discussion regarding claims process and organization of data; discussion regarding Great American commission issue.	0.8
Jun 25	Internal discussion regarding status of file and organization of claims process data; review and sign Notices of Disclaimer in respect of various store leases.	0.7
Jun 26	Internal discussion regarding working capital adjustment calculations under APA.	0.5
Jun 27	Review of claims assignment/transfer forms and email response; review Order of June 14, 2012; email to A. Crabtree regarding Notices of Disclaimer.	1.5
Jun 28	Email to A. Crabtree at Blakes regarding Notices of Disclaimer; discussion with Tamara Huckalak of Lando & Co. regarding Loughheed Mall landlord; telephone conversation with D. Gumprich regarding status.	1.4
Jun 29	Internal meeting regarding claims process update and organization of data; email to C. Beveridge and discussion regarding various file administrative matters.	1.0
TOTAL – T. Martin		25.6 hrs.



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<u><i>Pam Boparai</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jun 22	Attend to lease disclaimers and creditor correspondence with Sports Industry Canada.	0.5
TOTAL – P. Boparai		0.5 hrs.



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<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jun 4	Cash flow analysis; review of leases; finalize inventory counts and check data.	8.0
Jun 5	Telephone call with [REDACTED]; revise files received for head office counts; rework DC counts and resolve errors; telephone conversation with F. Tan and D. Gumprich on the cash flow forecast; update Monitor's report and lease information.	7.5
Jun 6	Review Great American calculation; review cash flow forecast and budget vs. actual report; draft Monitor's report and have internal discussions with T. Martin and T. Powell re: the report.	7.5
Jun 7	Discussions with F. Tan on the cash flow forecast; review of D. Gumprich affidavit and variances report; attend to draft revisions of the Monitor's report.	9.5
Jun 8	Finalize draft Monitor's report and tables.	5.5
Jun 11	Incorporate changes from Blakes and Faskens to Monitor's report; respond to emails on report and have internal discussion with T. Martin.	5.5
Jun 12	Incorporate comments from the Company; prepare lease summary for go forward stores; organize files and finalize the Monitor's report.	4.0
Jun 14	Attend court for extension application.	1.0
Jun 15	Review of Great American data and profit and loss accounts; discussion with T. Martin on Great American proposed adjustments.	0.75
Jun 20	Discussion with D. Gumprich and D. Forer on the Great American commission/closing accounts.	0.5
Jun 21	Review of budget vs. actual and discussion on role of real estate consultant and proposed remuneration.	0.5
Jun 25	Review and approve proposed cheque run for the week commencing June 25, 2012.	0.3
Jun 26	Discussions with D. Gumprich on various topics including year-end lease adjustments, fees for A. Pye, cure payments on leases and weekly payments; internal discussion with T. Martin re: same.	0.7
Jun 27	Email and discussion with D. Alves re: real estate fees.	0.25
TOTAL – C. Beveridge		51.5 hrs.

Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jun 1	Prepare claims register summary and forward same to D. Gumprich; update claims register; respond to creditor enquiries regarding their Proof of Claim forms.	2.0
Jun 3	Respond to creditor enquiries regarding proof of claim forms.	0.5
Jun 4	Document inventory count observation; tie through counts to RGIS data file; correspond with creditors; review proof of claim forms.	2.0
Jun 5	Review proposed cheque run and discuss same with F. Tan; attend to file administration; review termination letters provided; respond to creditor enquiries; review proof of claim forms; internal discussion with M. Lee regarding updates to the claims register.	2.5
Jun 6	Respond to enquiries from debenture holders; respond to creditor enquiries.	0.5
Jun 7	Discuss assigned claims with Claims Recovery Group LLC; respond to enquiries from D. Forer; provide draft claims register to D. Forer; prepare output tables for the updated cash flow forecast model; internal discussion regarding claims process with C. Beveridge.	4.0
Jun 11	Prepare and issue notices of disallowances for various landlord claims; prepare schedules for Monitor's report; review updated head office length of service obligation template.	2.5
Jun 12	Respond to creditor enquiries; prepare tables for Monitor's Seventh Report; correspond with D. Forer regarding employee claims; internal discussion with C. Beveridge regarding status of landlord claims; correspond with A. Yu regarding employee claims; discuss Saskatchewan and Manitoba employment standards with D. Forer and Blakes.	3.0
Jun 13	Respond to creditor enquiries; issue notices of revision or disallowance.	1.0
Jun 14	Respond to creditor enquiries.	0.5
Jun 15	Respond to creditor enquiries; correspond with D. Forer regarding ESA amounts for former employees.	1.0
Jun 18	Attend to website updates; assist landlord that misplaced their Notice of Revision or Disallowance following employee turnover; discuss employee claim with M. Dickinson and revise ESA amount due based and revise applicable ESA calculation and confirm same with D. Forer.	2.0
Jun 19	Correspond with various landlords regarding claims; attend to website updates.	1.0

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Jun 20	Issue notices of revision or disallowance.	0.5
Jun 21	Correspond with debenture holders; telephone call with D. Gumprich; correspond with creditors with respect to claim assignments; attend to file administration.	1.0
Jun 22	Telephone call with D. Gumprich; respond to enquiries from debenture holders; update claims register; attend to file administration.	2.0
Jun 26	Respond to creditor enquiries; discuss claims process with former employees; respond to D. Eamogen regarding late claims; discuss restructuring claim with BC Hydro.	0.5
Jun 27	Internal discussion with M. Lee regarding status of claims register; attend to claims that were assigned.	1.0
Jun 28	Attend to website updates; respond to creditor enquiries.	0.5
Jun 29	Respond to creditor enquiries.	0.5
TOTAL - T. Powell		28.5 hours



Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jun 1	Track Proofs of Claims and Notices of Dispute.	0.5
Jun 5	Track Proofs of Claims.	0.5
Jun 7	Track Proofs of Claims; respond to voice messages regarding claims submissions.	0.5
Jun 11	Prepare Notices of Revision or Disallowance mailout to landlords.	1.0
Jun 13	Prepare Notices of Revision or Disallowance mailout to employees.	1.5
Jun 22	Track Proofs of Claims and update binders.	1.0
Jun 26	Update claims binders.	0.5
TOTAL – M. Lee		5.5 hrs.





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Phone: +1 604 638 7440
Fax: +1 604 638 7441

September 11, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period July 1 to August 31, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	46.8	\$595	\$27,846.00
P. Boparai, Senior Director	0.5	450	225.00
C. Beveridge, Senior Director	173.25	350	60,637.50
T. Powell, Manager	38.5	300	11,550.00
M. Lee, Executive Assistant	16.5	200	3,300.00
	275.55		103,558.50
Add: HST (12%)			12,427.02
TOTAL INVOICE			<u>\$115,985.52</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #14**
GST: 83486 3367 RT0001

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Jul 3	Internal meeting and discussion regarding working capital adjustment; review of revised Disclaimers and email to Blakes; telephone conference with K. Wilson of Clark Wilson regarding a landlord proof of claim; telephone conversation with S. Golick of Osler regarding potential assignment of creditor claims; telephone conference with Tamara of Lando & Company regarding Instruction Letter for Landlord claims.	2.0
Jul 4	Receipt and review correspondence in respect of claim by Canada Revenue Agency for HST; telephone conference with C. Beveridge regarding Robson Street landlord; review of various proofs of claim issues; prepare and attend on call with A. Crabtree of Blakes regarding various landlord claims.	1.5
Jul 5	Prepare for and attend meeting with D. Gumprich, A. Yu and D. Forer and P. Rubin (via teleconference) at Sterling's offices to discuss HST matters, head office lease matters, working capital adjustments, Robson Street store lease, planning and next steps and certain employee matters; internal meeting and discussion regarding proofs of claim matters; telephone conference with K. Wilson at Clark Wilson regarding landlord proof of claim.	3.5
Jul 6	Internal meeting and discussion regarding proofs of claims matters; telephone conference with A. Crabtree of Blakes regarding Kelowna landlord.	1.0
Jul 9	Telephone conference with A. Crabtree regarding employee letter; internal discussion regarding presentation of claims register and related matters.	0.6
Jul 10	Internal meeting and discussion regarding enquiry from Callisto; telephone conference with D. Alves regarding [REDACTED] preferences; telephone conference with D. Gumprich regarding management presence and working capital adjustment matters.	1.5
Jul 11	Review of various emails and letters regarding [REDACTED].	1.0
Jul 12	Internal discussion regarding status of Claims Process and related emails to Blakes.	1.0
Jul 18	Telephone conversation with D. Gumprich regarding working capital adjustment and related matters; telephone conversation with P. Rubin of Blakes regarding potential Distribution Order and mechanics of a Plan.	0.3

Sterling Shoes, Inc. - 87138

Jul 19	Telephone conference with D. Gumprich regarding inventory obsolescence issue in working adjustment calculations and related matters; receipt and review of E&Y working capital adjustment schedules; telephone conference with D. Gumprich and K. Keilty of Blakes regarding various matters.	1.8
Jul 20	Prepare for and attend conference call with D. Gumprich regarding working capital adjustments and review spreadsheet of invoice rendered by Callisto.	1.2
Jul 21	Telephone conference with D. Gumprich and review of emails from L. Cassey of Torys and K. Keilty of Blakes.	1.0
Jul 23	Receipt and review of amending agreement; execute same and return to the parties; review of draft working capital adjustment schedules and Tory's July 21, 2012 letter; telephone conference with D. Gumprich and D. Forer.	1.5
Jul 24	Review draft memorandum prepared by D. Gumprich on inventory obsolescence issues; prepare for and attend meeting at Sterling and meet with D. Gumprich and D. Forer and conference call with P. Rubin and K. Keilty from Blakes.	3.0
Jul 25	Review emails; telephone conference with K. Wilson of Clark Wilson regarding Kelowna landlord claim; email to Great American regarding reconciliation of liquidation proceeds.	2.0
Jul 26	Telephone conversation with S. Smith of Great American regarding certain terms of the Agency Agreement; telephone conversation with D. Gumprich.	1.7
Jul 27	Prepare for and attend meeting with D. Gumprich regarding head office lease, reconciliation with Great American, and related matters.	3.5
Jul 30	Telephone conversation with P. Rubin regarding landlord claim issues; telephone conversation with K. Jackson regarding working capital adjustment matters; internal meetings and discussions regarding Claims Process.	1.5
Aug 9	Internal meeting and meeting with D. Gumprich regarding status of file and discussion in respect of Claims Process, Town APA and working capital adjustment and finalization of liquidation; conference call with P. Rubin and K. Jackson regarding claim by CRA for HST.	3.7
Aug 10	Receipt and review of cash flow update on week 42; internal emails regarding information for the Company; conference call with S. Smith of Great American regarding outstanding issues and un-reconciled amounts.	1.5

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Aug 13	Internal discussion regarding call between Town and Sterling in respect of working capital adjustment.	0.5
Aug 14	Internal discussion and meeting with respect to HST issues; review of potential retention arrangements with D. Gumprich.	1.0
Aug 16	Internal meeting and discussion and update on landlord claim analysis; cash flow updates and variances and related matters.	1.0
Aug 17	Review of Great American reconciliation of liquidation proceeds and costs; emails with D. Forer regarding Great American analysis; internal discussion and meetings regarding various matters.	1.0
Aug 21	Receipt and review of Town submission in response to D. Gumprich materials on working capital adjustment; review select employee claim amounts and issue disallowance notices; email to Faskens and Blakes regarding letter from Town.	1.0
Aug 22	Telephone conference with D. Gumprich regarding working capital adjustment and internal discussion; telephone conversation with K. Keilty and P. Rubin of Blakes regarding proposed response to Town.	0.6
Aug 23	Review of email from SICA and respond thereto.	0.2
Aug 27	Internal meeting and discussion regarding potential management retention issues; review issue around damage to Oshawa store and insurance proceeds; review claims update and related matters.	1.0
Aug 28	Email to D. Gumprich regarding [REDACTED] discussions and email with P. Rubin regarding retention matters; receipt and review of draft letter to landlords from A. Crabtree and internal discussion regarding same.	1.5
Aug 29	Telephone discussion with P. Rubin and D. Gumprich regarding [REDACTED] matters; review disclaimer of lease of 2400 Viscount Way and execute same.	1.2
Aug 30	Meeting and discussions with D. Forer regarding Great American settlement and disclaimer of 2400 Viscount Way.	1.0
Aug 31	Telephone conversation with K. Jackson proposed agenda for meeting; emails with D. Gumprich and S. Smith regarding settlement with great American; review trust accounts and review of wire instructions for return of deposit to Great American.	2.0
TOTAL – T. Martin		46.8 hrs.

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<u><i>Pam Boparai</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jul 10	Internal discussion with T. Martin and conference call with Callisto regarding CCAA process and Sterling Management.	0.5
TOTAL – P. Boparai		0.5 hrs.



<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
July 3	Meeting with T. Martin to discuss working capital adjustment; review of APA and working capital adjustment; discussion with D. Gumprich on same; approve weekly cheque run and reviewed lease disclaimer/assignment.	4.0
July 4	Call with D. Gumprich and review of working capital statement compared to previous estimate; discussion with T. Martin regarding Robson Street leases.	2.5
July 5	Meeting with D. Forer and D. Gumprich at Sterling on working capital; call with Blakes/PWC on CRA claims and subsequent discussion with T. Powell regarding same; discussion on claims process and action list with T. Powell and T. Martin; follow up review of landlord, trade and employee claims; discussion with T. Martin on the claims order.	5.0
July 6	Review of claims process order and discussion with D. Gumprich on E&Y's working capital review; review of weekly budget vs. actual CCAA cash flow from F. Tan including flow of funds; review of proof of claim register with T. Marin; obtain copies of remaining leases from Blakes.	4.75
July 9	Review claims process; log outstanding issues and develop work plan for remaining claims; discussions with T. Martin, T. Powell and M. Lee on next steps; review weekly cheque run.	2.75
July 10	Call with D. Gumprich regarding working capital, head office lease and repairs; discussion with M. Lee on proof of claim register; follow up with Blakes on the leases; discussion with T. Martin on Callisto's call.	1.5
July 11	Call with M. Tomassetti on the working capital adjustment; discussion with M. Lee; email to D. Gumprich; review of Tory's letter re: [REDACTED] and APA; emails to Faskens and discussion with D. Gumprich on working capital adjustment; review lease summary.	1.5
July 12	Review of landlord claims including BIA calculation; discussion with M. Lee; reconcile claims to ensure completeness of information; identify incorrectly numbered stores and review proof of claim forms; discussion with D. Gumprich on working capital calculation and discussion with Town/Callisto; discussion with T. Martin.	5.5
July 13	Meeting on claims process; call with D. Gumprich on landlord leases; prepare summary tables for board meeting; prepare estimate of distribution.	4.5
July 16	Detailed review of landlord and employee proof of claims submitted.	6.5
July 17	Review of lease disclaimer deadlines.	4.0

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July 30	Call with K. Jackson on working capital adjustment and APA wording; call with P. Rubin on the landlord claims; discussion with T. Martin and M. Lee; update register for claims; discuss working capital adjustment with T. Martin.	4.5
July 31	Working capital review; call with D. Gumprich and D. Forer and revision of GAAP memo, supporting materials and spreadsheet.	6.0
Aug 1	Review of CRA claim and related documents; email to T. Martin and discussion with A. Yu on same; review memo from Wilson & Partners on CRA claim; discussion with D. Gumprich on GAAP adjustment; prepare for meeting with K. Jackson and A. Nathanson of Faskens; further review of working capital calculation.	7.0
Aug 2	Review of GAAP email from A. Nathanson and draft response; review working capital calculation revised version from D. Gumprich; calculate latest working capital adjustment; review of CRA claim and draft memo.; review latest claims register; meeting with T. Powell to discuss remaining points on claims register; review pre-filing notices of dispute and prepare information request for the Company.	7.0
Aug 3	Review of pre-filing proof of claims file; call with D. Gumprich and D. Forer on working capital adjustment; review working capital memo and schedule.	5.5
Aug 7	Proof of claim forms review; call with D. Gumprich and D. Engemoen on notices of dispute; agreed action plan to resolve remaining issues; review Great American settlement schedule and final working capital memo.	5.5
Aug 8	Call with D. Gumprich on Great American settlement, ageing of inventory, write off at count and estimate; review of letter to Town Shoes; review of claims process; discussion with M. Lee on assigned claims; review cheque run and CRA email from A. Yu; review proposed payment made to Town Shoes.	6.25
Aug 9	Review of landlord claims file; discussion with D. Forer and T. Martin on Great American reconciliation; call with K. Jackson and P. Rubin on CRA and landlord claims; analysis of landlord claims; meeting with D. Gumprich and P. Rubin.	7.0
Aug 10	Call from D. Gumprich on IT/back up; review of cash flow forecast; landlord proof of claims analysis; call with S. Smith from Great American; review of detailed leases and preparation of lease summaries; reconciliation of stores sold and disclaimed.	8.0
Aug 13	Review of employee claims and notices of dispute; discussion with T. Powell and call to D. Forer; review of HST information from A. Yu; discussion with T. Martin on working capital adjustment; review of landlord claims and leases; summarize leases.	8.0



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Aug 14	Finalize lease summaries; discussion with D. Forer on employee claims and discrepancies; call to A. Yu on HST and discussion with T. Martin; discussion with T. Martin on working capital call held with SSLP/Town.	5.0
Aug 15	Review of working capital calculation in advance of a call with Callisto, Town, E&Y and Sterling; follow up call with D. Gumprich and K. Keilty from Blakes; review of Agency Agreement for definitions and costs.	4.0
Aug 16	Review of leases and second set of disclaimers issued to landlords; discussion on working capital call with T. Martin; review of notices of disclaimer with T. Martin; review of Aug 4 cash flow and previous cash flow; email to F. Tan on updated cash flow and subsequent call on the cash flow; discussion with T. Martin on new cash flow forecast and timing for preparation; call to D. Forer on the Great American income/expense reconciliation; review of employee claims.	5.75
Aug 17	Review of Great American settlement calculation; review of leases for additional costs over the base lease rate; review recent employee claims received and prepared notes for discussion with T. Martin, Blakes and the Company.	4.25
Aug 20	Call to D. Forer on Great American settlement; review of weekly cheque payments; review 23 leases and summarize terms; review latest ESA proposed amounts and discuss with D. Forer on the calculation methodology; review proof of claims for landlords to ensure completeness and compare to list of disclaimed leases for differences and resolve differences.	5.25
Aug 21	Employee notices of disallowance issued after being reviewed by T. Martin; summarize issues relating to landlord leases; respond to enquiries from employees; review of working capital response from Town Shoes.	5.75
Aug 22	Further employee enquiries and discussion with T. Martin on working capital response from Town.	2.5
Aug 23	Review employee claims and highlighted proof of claims issues to be resolved; review latest employee calculation; sent queries to the Company; telephone call with D. Forer to discuss queries; draft memo on claims process issues.	4.5
Aug 27	Finalize memo on claims process; review insurance claim on the Oshawa Centre lease with T. Martin; review landlord claims; discussion on ongoing compensation for D. Gumprich; review draft of landlord letter prepared by Blakes; call to A. Yu on CRA interest claim.	4.5

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Aug 28	Discussion with D. Gumprich on truck, head office roof repair and employee notices of dispute as well as next steps; call to A. Crabtree of Blakes on landlord letter and notices of dispute and discussion with T. Martin; review all proofs of claim for relet dates and summarize in an email to the Company; review claims process order.	5.5
Aug 29	Review of cash flow and budget vs. actual; note to D. Gumprich and Blakes on employee and landlord claims; review of weekly cheque run and approval thereof; review of final Great American settlement; review revised cash flow to Dec 31, 2012; further discussion with A. Crabtree on landlord letter and review of lease file and estimate offer to landlords; estimate of non-base rent payments over six month period.	7.5
Aug 30	Review of cash flow forecast detailed model; meeting with D. Forer on Great American reconciliation and employee claims; discussion with Blakes on employee claims and copy of file containing disputed claims provided.	7.25
Aug 31	Review of final Great American settlement after discussion with D. Forer; review of lease discrepancies per Company; review and resolved issues; review notices of disallowance and revision to two employees; calculations checked with D. Forer; review of cash flow to confirm whether final inventory payment from Great American was received; review APA for final Great American payment; confirmed amounts payable to Great American and arrange wire payment.	4.25
TOTAL – C. Beveridge		173.25 hrs



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<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jul 2	Various correspondence with D. Forer regarding employee terminations and related statutory amounts owed for length of service obligations.	0.5
Jul 4	Correspond with landlords regarding claims; correspond with store manager regarding employee claims; respond to enquiry from claims recovery group regarding assigned claims.	1.0
Jul 5	Internal discussion with C. Beveridge regarding CRA claims; respond to enquiry from Claims Recovery Group; correspond with F. Tan and A. Crabtree regarding lease disclaimers; review schedule prepared by D. Forer regarding employee terminations and notice dates.	1.0
Jul 6	Correspond with landlord regarding landlord claims; review updated claims register; discuss claims register with C. Beveridge; correspond with A. Crabtree regarding revised disclaimers for 2 stores.	1.5
Jul 9	Correspond with D. Forer re copies of notices provided to employees upon termination; correspond with BC Hydro; various correspondence with Claims Recovery Group regarding assigned claims.	1.0
Jul 10	Various correspondence with landlords; respond to emails from Claims Recovery Group regarding assigned claims; respond to creditor enquiries.	0.5
Jul 11	Internal discussion with C. Beveridge regarding unresolved disputed claims; review transfer forms for assigned claims.	1.0
Jul 12	Correspond with former employees regarding employee claims for statutory length of service obligations; respond to enquiry from Claims Recovery Group; discuss notices of disallowance with A. Crabtree; internal review of claims register with M. Lee.	0.5
Jul 13	Provide draft claims summary to C. Beveridge; respond to enquiries from Claims Recovery Group; telephone call with D. Gumprich regarding the claims process; internal meeting with C. Beveridge and M. Lee regarding status of the claims process and claims register; respond to creditor enquiries.	2.5
Jul 16	Provide schedule of employee terminations to C. Beveridge; discuss lease disclaimers with C. Beveridge; various correspondence with Argo Partners regarding assigned claims; respond to telephone calls from former employees; review termination letter examples provided by D. Gumprich; telephone call from D. Gumprich; review notices of revision or disallowance; respond to creditor enquiries.	2.5
Jul 17	Analyze applicable dates for notices of revision or disallowance of employee claims; respond to telephone calls from former employees; respond to creditor enquiries.	1.5



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Jul 18	Follow up with D. Forer regarding calculation of statutory amounts owing to terminated employees; discussion with landlord/property manager for several of the disclaimed properties; discuss notices of revision or disallowance with V. Tickle, Fasken Martineau; attend to file administration.	2.5
Jul 22	Correspond with the property manager of several of the disclaimed leases and discuss requisite documentation required to support a landlord claims.	0.5
Jul 23	Discussion with a landlord that received multiple lease disclaimers; review employment standards calculations for certain terminated employees prepared by D. Forer; review proposed cheque run and discuss the same with F. Tan.	2.0
Jul 24	Respond to enquiries from Claims Recovery group regarding assigned claims; telephone and email correspondence with counsel for a landlord; respond to creditor enquiries.	1.5
Jul 25	Telephone correspondence with counsel for a landlord; respond to D. Gumprich regarding effective way to cancel unwanted leases of office equipment in CCAA context; attend to notices of revision or disallowance for various employee claims; email correspondence with Claims Recovery Group; follow up with D. Forer regarding additional calculations of statutory employee claims required.	2.5
Jul 30	Correspond with Fortis regarding disputed claim; attend to file administration.	0.5
Jul 31	Discuss completeness of claims register with C. Beveridge; review notices of transfer provided by Claims Recovery Group; confirm transfers and agree to supporting documents; respond to creditor enquiries.	1.5
Aug 1	Correspond with landlords regard proof of claims filed; respond to enquiries from former employees regarding claim amounts and expected distributions; respond to queries from Claims Recovery Group.	1.0
Aug 2	Review updated schedule of employee claims from D. Forer; telephone conversations with former employees.	0.5
Aug 3	Respond to creditor enquiries; telephone call with convertible debenture holder.	0.5
Aug 7	Respond to enquiry from property manager; correspond with legal counsel for a former landlord; contact each of the claims buyers and obtain listing of assigned claims held to reconcile to Monitor's records.	2.0

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Aug 8	Various correspondence with Argo Partners regarding assigned claims; attend to notices of revision or disallowance with respect to employee claims.	2.0
Aug 9	Coordinate updating of claims register for assigned claims; review assigned claim for a claim that was assigned but was not an accepted claim.	1.0
Aug 10	Correspond with Argo Partners regarding assigned claims; attend to file administration.	0.5
Aug 13	Email and telephone conversations with counsel for an unsecured creditor; telephone discussion with A. Yu.	1.0
Aug 14	Respond to creditor enquiries; attend telephone call with counsel for an unsecured creditor; various telephone conversations with former employees regarding status of claims and expected distribution.	1.0
Aug 15	Various emails and telephone call from creditors and former employees.	0.5
Aug 16	Correspond with unsecured creditor regarding status of the file; phone call from former employee regarding status of the distribution.	0.5
Aug 20	Discussion with a post-filing creditor regarding potential unpaid post filing amounts; correspond with A. Yu regarding the same.	0.5
Aug 21	Telephone calls and email correspondence with former employees regarding the status of their claims and expected distribution.	0.5
Aug 22	Review email from A. Johnston regarding claims package sent out to employee who claimed not to have received a claims package previously; discuss pre-filing trade creditor proof of claim received; internally discuss applicable claims bar dates for certain claims.	0.5
Aug 23	Attend to website updates; internal discussion regarding the Company's updated statutory termination payment calculations; attend to file administration.	0.5
Aug 29	Discussion with Claims Recovery Group regarding certain outstanding claims; correspondence with a company that had insured certain creditor claims.	0.5
Aug 30	Email from Claims Recovery Group; telephone calls from former employees regarding status of claims and expected distribution.	0.5
Aug 31	Respond to employee and creditor enquiries.	0.5
TOTAL - T. Powell		38.5 hrs.



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<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jul 5	Update claims listing and file claims.	2.0
Jul 9	Internal meeting with T. Powell and C. Beveridge re: claims listing and filing.	1.0
Jul 10	Update claims listing and file claims.	1.0
Jul 11	Update claims listing and file claims.	1.0
Jul 12	Update claims listing.	0.5
Jul 17	Update claims listing and file claims.	2.0
Jul 19	Update claims listing and file claims.	1.0
Jul 26	Prepare Notices of Revisions and/or Disallowances for mailout to employees.	1.0
Jul 30	Update claims listing and file claims.	2.0
Jul 31	Update claims listing and file claims.	2.0
Aug 8	Update claims listing and file claims.	1.0
Aug 13	Update claims listing and file claims and lease agreements.	1.5
Aug 21	Prepare Notices of Revisions and/or Disallowances for mailout to employees.	0.5
TOTAL – M. Lee		16.5 hrs.





October 11, 2012

Sterling Shoes, Inc.
2580 Viscount Way
Richmond, B.C. V6V 1N1Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period September 1 to September 30, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	18.9	\$595	\$11,245.50
C. Beveridge, Senior Director	59.5	350	20,825.00
T. Powell, Manager	15.75	300	4,725.00
V. Chan, Senior Associate	0.8	250	200.00
M. Lee, Analyst	1.0	200	200.00
	<u>95.95</u>		<u>37,195.50</u>
Add: Out of pocket expenses			
Courier			24.28
Printing and binding			1,355.00
Parking			48.22
Website maintenance			22.50
Add: HST (12%)			<u>4,637.46</u>
TOTAL INVOICE			<u>\$43,282.96</u>

Mail Instructions:Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6**Wire Instructions:**Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #15**
GST: 83486 3367 RT0001

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<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Sept 1	Review of D. Gumprich submission on Settlement of Town APA disputed amounts and related issues and draft email to Faskens regarding same.	1.0
Sept 4	Draft email to Faskens regarding Company's response to Town; internal meeting and discussion regarding response to Town and return of GA amounts; review agenda for meeting with legal counsel; execute two Notices of Dispute re employee claims.	2.1
Sept 5	Prepare for and attend meeting with Faskens and Blakes regarding numerous matters including D. Gumprich retention matters, Landlord communication and settlement proposals, reporting issuer issues, next Stay date and outstanding matters on Town APA.	2.2
Sept 6	Internal meeting and discussion regarding landlord notices of dispute and related matters.	1.0
Sept 7	Review draft settlement communication for Tory's on Town APA matter; internal meeting and discussion and email to Faskens regarding communication to Tory's/Town; draft email to Faskens regarding [REDACTED] matters.	1.0
Sept 10	Review draft letter to landlords on potential claims and internal discussion regarding same; receipt and review of draft settlement agreement from Blakes and email to parties with Monitor's comments; internal discussion on working capital.	1.5
Sept 11	Review of documentation in support of various Notices of Disclaimer in respect of 2580 Viscount Way, photocopier leases and other contracts; telephone conversation with P. Rubin regarding matters generally.	2.0
Sept 13	Finalize letter regarding settlement of Town APA; review vacation pay claimed by D. Gumprich and internal discussion; finalize disclaimers for 2580 Viscount Way landlord, photocopier leases and other contracts.	1.3
Sept 14	Review and respond to various emails from Faskens and Blakes regarding the Town Settlement discussions and negotiations and internal discussions regarding same.	1.0
Sept 17	Conference call with Blakes regarding proposed Town Settlement and related matters.	1.0
Sept 18	Review of letter from Ivanhoe; review of email from [REDACTED] regarding termination notice and related issues.	2.0



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Sept 19	Review revised draft dividend schedules; review [REDACTED] email regarding payment under APA and internal discussion regarding same; telephone discussion with Faskens regarding call from S. Urquhart and certain information sought by landlords; conference call with K. Keilty and D. Gumprich regarding various closing matters and Manitoba tax issues; conference call with D. Gumprich regarding settlement of GA refund amount and [REDACTED] matters; internal discussion on potential recovery to creditors.	1.8
Sept 21	Telephone conversation with P. Rubin and C. Beveridge regarding management retention matters and flow of funds regarding [REDACTED] under APA.	1.0
TOTAL – T. Martin		18.9 hrs.

<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Sept 4	Finalize employee notices of disallowance/revision; attend meeting with Faskens and Blakes on approach to landlords; discussion on distribution process and package for remaining employee; preparation of summary of leases by landlord group; confirm data to proof of claim and individual leases; discussion with T. Powell re: call with landlord.	4.75
Sept 5	Prepare agenda for meeting; follow up on Great American deposit return and banking arrangements; attend call with Landlord of 2580 Viscount Way re: disclaimed lease; prepare summary of proof of claims for the board of directors; review company's response to Town on the working capital adjustment; email to D. Forer on leases for which no assignment was on file/missing lease.	5.5
Sept 6	Review of claims for which no notice of disputes were filed; discussion with F. Tan on net/gross leases/percentage rents and other matters; review of assignments from KKBL; review of leases and proof of claim where no notice of dispute was filed; discussion with A. Crabtree on notices of dispute; review of leases held in name of Sterling Inc.; meeting with T. Martin re: notices of dispute.	7.25
Sept 7	Confirm lease settlement figures calculated; review working capital settlement agreement with Town; discussion with K. Jackson on same; call to A. Crabtree on the landlords letter; discussion with A. Yu and T. Martin on HST penalties from CRA; email to A. Yu on CRA claim.	6.25
Sept 10	Discussion with T. Martin on working capital settlement agreement; call from A. Yu on T4s; review final landlord letter from A. Crabtree at Blakes; review of Cadillac Fairview leases and proof of claims submitted.	2.5
Sept 11	Call with A. Crabtree re landlord settlement letters; call with D. Gumprich re employee claims, working capital agreement and landlord letters; emails to employee re late claims submitted; call with D. Forer on employee claims process and request for memo; discussion with T. Powell on landlord correspondence.	1.5
Sept 12	Meeting at Sterling's offices with D. Gumprich and D. Forer to discuss various matters including IT, employee termination/claims package process; call to W. Milman re; landlord claims and call to T. Martin to discuss same.	4.5
Sept 17	Discussion with D. Gumprich on IT, employees; review payments to be made and Alan Pye invoice for lease negotiations.	1.5

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Sept 18	Call to Karen Marshall and Kingsway Garden re their outstanding creditor claims; call to D. Forer re: employee calculations for head office and control sheet and discussion with T. Powell re: same; call to A. Crabtree re: cash flow and timing for our next report; call from employee re: status of claim.	2.5
Sept 19	Call to K. Jackson re: landlords claims; call with D. Gumprich, K. Keilty re: Callisto/Town settlement; discussion with T. Martin re the settlement and estimated recoveries to creditors; email to F. Tan on the cash flow and review of Alan Pye invoice.	3.5
Sept 20	Call from G Segal re: head office lease disclaimer; follow up calls to employees and creditors.	1.25
Sept 21	Email to D. Gumprich re: [REDACTED] amount and payment by Sterling; call to Karen Marshall Agency re: proof of claim; email to D. Forer re: head office claims calculation error; call with D. Gumprich on various matters; email to T. Martin re: hiring of A. Yu to assist D. Gumprich; conference call with P. Rubin and T. Martin on retention of management.	3.0
Sept 24	Review proof of claim for head office and B Code building; preparation for meeting and attendance at meeting with D. Gumprich to cover progress, cash flow, landlords, closing office issues, documents, etc.; discussion with A. Crabtree re: landlords; review of assigned claims; discussion with T. Martin re: creditor correspondence.	2.25
Sept 25	Call to B Code landlord; email to D. Forer and D. Gumprich on meeting, cash flow and employee claims; email to Blakes re: retention payment settlement; issuance of two notices of disallowance to two landlords.	2.5
Sept 26	Discuss landlord email with A. Crabtree; prepared letter for D. Gumprich to sign with offer to landlords; review cash flow; confirm bank payment to Sterling Shoes for D. Alves retention payment; discussion with M. Lee on notices sent to Cadillac Fairview; attendance at meeting with D. Gumprich to discuss cash flow and budget vs. actual reporting to date of next report.	3.5
Sept 27	Discussion with D. Gumprich on cheque payment and [REDACTED] settlement; discussion with T. Martin on the above.	0.75
Sept 28	Discussion with T. Martin on the Eighth Monitor's Report; calls to K. Jackson on D. Alves termination and subsequent discussion with T. Martin; review of report and discussion with V. Chan on report outline, tables and information requirements; discussion with T. Powell on preparation of data for the report; review of claims register and late claims date; call from S. Roote re landlord claim for B Code building; set up landlord meeting with Blakes and Faksens; summarize professional fee estimates for the cash flow forecast; landlord analysis in response to letter from Maclean Kerr.	6.5

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TOTAL – C. Beveridge

59.5 hrs.



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<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Sept 4	Discussion with former landlord of Sterling; internal discussion with C. Beveridge re same.	0.5
Sept 5	Respond to creditor enquiries; respond to enquiries from former employees.	0.5
Sept 6	Respond to enquiries from former employees; attend to file administration.	0.5
Sept 8	Telephone call from a Sterling investor; telephone call from an employee regarding their claim.	0.5
Sept 10	Correspondence from Computershare, the transfer agent, regarding the convertible debentures; attend to file administration.	0.5
Sept 11	Review correspondence from counsel for a landlord; internally discuss the same with C. Beveridge; telephone call with Computershare regarding convertible debentures.	1.0
Sept 12	Telephone call and email correspondence with legal counsel for a former landlord; respond to enquiries from creditors.	1.5
Sept 14	Review bank reconciliation; respond to enquiries from a Claims Recovery Group regarding assigned claims; respond to enquiries from creditors.	0.75
Sept 17	Respond to creditor enquiries.	0.25
Sept 18	Respond to enquiries from former employees; discuss Sterling calculation of statutory amounts owing for wages with C. Beveridge.	1.0
Sept 19	Respond to enquiries from Claims Recovery Group regarding assigned claims; respond to enquiries from former employees; respond to correspondence from a debenture holder.	0.75
Sept 20	Internally discuss assigned claims with M. Lee; respond to creditor enquiries.	0.5
Sept 21	Respond to creditor enquiries; correspond with Claims Recovery Group regarding assigned claims; attend to file administration.	1.5
Sept 24	Review correspondence from creditors; discuss same with C. Beveridge; telephone call with the landlord of the head office; discuss updating the claims register with M. Lee.	2.0
Sept 25	Receive calls from former employees; respond to call from former landlord; respond to creditor enquiries.	0.75

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Sept 26	Respond to enquiry from Argo Partners regarding assigned claims; respond to M. Lee regarding website updates; telephone call with Blakes regarding Monitor's Contract Certificates.	1.5
Sept 27	Correspond with Blakes regarding Monitor's Contract Certificates; telephone call with a broker regarding the convertible debentures.	1.0
Sept 28	Respond to enquiries from former employees; telephone call with Faskens regarding Monitor's Contract Certificate; internal discussion with C. Beveridge regarding analysis of claims register.	0.75
TOTAL - T. Powell		15.75 hrs.



Sterling Shoes, Inc. - 87138

<u>Vicki Chan</u>	<u>Description</u>	<u>Hrs.</u>
Sept 28	Update information relating to Monitor's Report.	0.8
TOTAL – V. Chan		0.8 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Sept 11	Update register and review information in claims register against landlord claims.	0.25
Sept 25	Prepare Notices of Disallowance and update claims register.	0.5
Sept 26	Update Sterling website and correspond with D. Forer regarding employee claims.	0.25
TOTAL – M. Lee		1.0 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

By Email

November 16, 2012

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period October 1 to October 31, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	32.60	\$595	\$19,397.00
C. Beveridge, Senior Director	77.25	350	27,037.50
T. Powell, Manager	19.25	300	5,775.00
V. Chan, Senior Associate	2.70	250	675.00
M. Lee, Analyst	6.45	200	1,290.00
	138.25		54,174.50
Add: Out of pocket expenses			
Parking and mileage			53.04
Registered mail fees			177.20
Courier fees			34.91
Website maintenance			112.50
Add: HST (12%)			6,546.26
TOTAL INVOICE			<u>\$61,098.41</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #16
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Oct 3	Telephone conversation with A. Lau at Bank of Montreal regarding signing authorities on Sterling bank accounts; internal meeting and discussion regarding cash flow forecast, Town Settlement matter and analysis of landlord claims.	1.0
Oct 4	Preparation for meeting with Sterling and Blakes regarding current status of landlord claim negotiation and related matters; attendance at meeting with Faskens, Blakes and Sterling to discuss status and next steps.	1.5
Oct 5	Receipt and review of D. Gumprich affidavit and comments regarding same to Blakes; receipt and review of draft letter to landlords and discussion with Faskens regarding same; draft email to Blakes; review preliminary draft of Monitor's Eighth Report and related edits to Faskens and C. Beveridge.	1.0
Oct 6	Drafting and editing of Monitor's Eighth Report and related emails to Faskens and C. Beveridge.	2.0
Oct 8	Edit of draft of Monitor's Eighth Report and internal discussion regarding same.	1.5
Oct 9	Review email from D. Gumprich regarding various matters and comments on Monitor's Eighth Report; review comments on Eighth Report from Faskens; internal discussion regarding claim amounts generally; attend to enquiry from SICA regarding potential for interim distribution to creditors; finalize Eighth Report and confirm factual accuracy comments from Sterling and Blakes.	4.5
Oct 10	Review draft letter and calculations of estimated claims from specific landlord; draft email to A. Crabtree and P. Rubin regarding landlord amounts; telephone conversation with Mr. Andajar of SICA; email to SICA copy to Blakes and Faskens.	2.5
Oct 11	Receipt and review of [REDACTED] claim amounts and email and internal discussion regarding same; preparation for and attendance at Court to seek extension and related matters.	0.9
Oct 12	Review of various emails from creditors and enquiries regarding potential recoveries; receipt and review of calculations of potential landlord claims and potential negotiated amounts.	1.5
Oct 15	Internal discussion regarding Claims process and various issues surrounding specific landlord claim; conference call with Blakes regarding potential negotiated settlement of landlord claims.	0.5
Oct 16	Internal discussion and review of landlord claims	1.0

Sterling Shoes, Inc. - 87138

Oct 17	Internal discussion and review of [REDACTED] claim and Faskens comments relating thereto; review of letter from McLean Kerr and response to W. Stephenson; call from MGM Capital regarding landlord claim relating to Shoe Warehouse in Abbotsford; email to C. Beveridge regarding same.	1.2
Oct 18	Internal meeting and discussion regarding landlord submissions of requested information.	1.0
Oct 19	Review of claimed damages by specific landlord of multiple locations; review and execute various Notices of Disallowance for specific employees; review letter from PKP Ventures regarding claim on Viscount Way premises; internal discussion regarding cash management and internal controls on cash balances at Bank of Montreal.	1.0
Oct 22	Review [REDACTED] email and forward to Blakes; discuss disallowance matters with Faskens.	0.7
Oct 23	Review clearance certificate from Manitoba tax authority and review email from D. Gumprich; internal discussion regarding proforma claims register and various fields to be added; review claims assignment matters and documentation; telephone conversation with P. Rubin regarding potential interim distribution.	0.9
Oct 24	Review draft Settlement Agreement on Town APA and internal discussion regarding same; telephone conference with K. Keilty at Blakes regarding Settlement Agreement; review of emails from Blakes and Tory's regarding Settlement Agreement; internal discussion regarding position of the Monitor on various issues in Town Settlement agreement.	2.2
Oct 25	Draft emails to and from K. Keilty at Blakes regarding Town Settlement Agreement; meeting with D. Gumprich regarding various matters; telephone conference with K. Keilty at Blakes regarding Town Settlement Agreement.	2.3
Oct 26	Receipt and review final Settlement Agreement on Town APA; review email from legal counsel from Ivanhoe and internal discussions; internal discussion and meeting regarding [REDACTED] claim various D&O issues, release of term deposits/escrow amounts.	2.0
Oct 29	Emails from Blakes, Faskens and internal; execute Town Settlement Agreement; internal discussions regarding arrangements for wire transfer of escrow amounts to Town.	1.0

Sterling Shoes, Inc. - 87138

Oct 30	Initiate and execute wire transfer; receipt and final Settlement Agreement documentation; email on status update to SICA.	1.2
Oct 31	Review of ████████ claim matter and certain documentation; internal discussion regarding status of claims process and landlord responses to requests for further information.	1.2
TOTAL – T. Martin		32.6 hrs.



Sterling Shoes, Inc. - 87138

<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Oct 3	Review of landlord claims; drafting of Monitor's Eighth Report and preparation of tables.	6.0
Oct 4	Attend meeting re: landlord responses; drafting of Monitor's report; analysis of landlord responses; discussion re: employees, cash flow report and court date; meeting with Blakes and Faskens on the above; review of and meeting with D. Gumprich on cash flow and budget versus actual; attend call with J. Weiner re: employee claims.	6.5
Oct 5	Review of D. Gumprich affidavit; review of latest cash flow forecast; update Monitor's report; discussion with T. Powell and V. Chan on report tables.	7.0
Oct 6	Edit report with new tables and data; email correspondence with T. martin and K. Jackson at Faskens.	2.75
Oct 7	Edit changes to the Monitor's report and incorporate comments received.	2.5
Oct 9	Finalize report for court; review and process changes from Blakes, Faskens and D. Gumprich, etc.; filed report with court and posted on Monitor's website.	9.0
Oct 10	Draft landlord letters and prepare package; prepare checklist of information required; review letter from KBK; respond to employee queries; telephone conversations with A. Crabtree and K. Jackson re: landlord letter/information request.	7.0
Oct 11	Finalize landlord letters; discuss potential claim from [REDACTED]; court briefing with T. Martin; prepare preliminary assessment of recoveries to creditors and potential first dividend.	3.5
Oct 12	Review of employee contracts/claims; attend call with Adidas Canada re: their claim; email to P. Anderson at Boughton on landlord letters; call with A. Crabtree on proof of claim register and monthly rent for Cadillac Fairview; respond to calls and emails from Bentall Kennedy re: late submission of landlord information.	4.5
Oct 15	Review of leases; call with Blakes re: Cadillac Fairview; analysis of claims accepted/partially accepted from landlords; emails to K. Jackson; analysis of landlord's claims register; calculation of claims which did not file a notice of dispute to determine impact; discussion with T. Martin on leases, HST impact and [REDACTED] claim; attend call with Blakes; discussion with T. Powell re: employee claims.	4.25
Oct 16	Call with K. Jackson re: [REDACTED] claim and Cadillac Fairview claim; call with A. Crabtree re: employees and responses from landlords; call to Adidas Canada and Classic Packaging re: their claims; call with A. Crabtree on approach/response to Cadillac Fairview.	2.5

Sterling Shoes, Inc. - 87138

Oct 17	Email to D. Alves re: his claims and discussion with Blakes; call with D. Gumprich regarding Manitoba Finance and his meeting with Town Shoes.	0.75
Oct 18	Attend calls with K. Jackson, A. Crabtree re: Ivanhoe, KBK and D. Alves claims; send email to [REDACTED]	1.5
Oct 19	Discussion with T. Powell re: L. Kwan's claim; review landlord responses received to date; send letters to KBK re: claim; attend to calls with various creditors and employees re: their claims; call from D. Gumprich on Manitoba Finance and banking arrangements with BMO; calculation of possible claim for [REDACTED]; discussion of landlord claims with T. Powell.	1.75
Oct 22	Meeting with Mariner Holdings; email to [REDACTED] re: claim; calls to D. Gumprich, A. Crabtree and K. Jackson on various matters re: [REDACTED] claim, responses to employees and landlords and Cadillac Fairview.	1.5
Oct 23	Calculation of possible distribution amounts; call with landlords; call with D. Gumprich re: board meeting.	0.75
Oct 24	Review of settlements agreements and calls/emails to K. Jackson, K. Keilty and D. Gumprich; review of APA and settlement agreement provisions/amendments.	2.5
Oct 25	Meeting with D. Gumprich; email from K. Jackson; call with K. Keilty; prepare memo re: distribution schedule and work requires; call with Blakes.	1.25
Oct 26	Attend call with D. Gumprich to discuss results of the board meeting review D. Alves of claim from lawyers and subsequent call to K. Jackson; review claims received late from landlords; email from McLean Kerr.	4.5
Oct 29	Review of D. Alves claim and new responses from landlords.	2.75
Oct 30	Discussion with T. Powell re: various pre-filing claims.	0.25
Oct 31	Call with K. Jackson and C. Jones re: follow up to [REDACTED] claim; review landlord responses and follow up with K. Jackson; call to A. Crabtree to update Blakes on [REDACTED] claim and responses from landlords.	4.25
TOTAL – C. Beveridge		77.25 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Oct 2	Respond to creditor enquiries; update employee claims register for applicable notice dates and claim receipt dates sourced from various supporting schedules previously provided by D. Forer.	2.5
Oct 3	Telephone call with in-house counsel for a landlord; attend to file administration; respond to creditor enquiries.	1.25
Oct 4	Various correspondence with claims buyers; provide templates for report tables.	0.75
Oct 5	Various correspondence with claims buyers; review and revise report tables and note disclosure; internally discuss tables with C. Beveridge and V. Chan.	2.0
Oct 9	Respond to creditor enquiries; respond to enquiries from claims buyers; telephone calls with former employees.	0.5
Oct 15	Respond to enquiries from former employees; internal discussion with C. Beveridge regarding claims matters; attend to claims register updates for transferred claims; attend to website updates; respond to enquiry from claims purchaser.	1.75
Oct 16	Various correspondence from the transfer agent regarding pending maturity of the convertible debentures; respond to creditor enquiries.	1.0
Oct 17	Respond to voicemails from creditors.	0.25
Oct 18	Respond to creditor enquiries; respond to claims purchasers.	0.75
Oct 19	Respond to voicemails from creditors; internally discuss landlord claims with C. Beveridge.	0.75
Oct 22	Telephone calls with former employees; telephone call with large unsecured creditor; attend to file administration.	1.0
Oct 24	Telephone calls from convertible debenture holders.	0.5
Oct 25	Various telephone calls and emails from former employees and other creditors.	1.0
Oct 26	Respond to enquiry from claims buyers, pre-filing trade creditors and former employees.	1.25
Oct 27	Various correspondence with a large unsecured creditor.	1.0
Oct 28	Various correspondence with a large unsecured creditor; attend to website matters.	1.0



Sterling Shoes, Inc. - 87138

Oct 29	Review creditor calls; various correspondence with transfer agent for the convertible debentures; internal discussion with M. Lee regarding the claims register; attend to website matters.	1.25
Oct 30	Respond to enquiries from former employees; internal discussion with C. Beveridge regarding certain pre-filing claims.	0.75
TOTAL - T. Powell		19.25 hours



Sterling Shoes, Inc. - 87138

<u>Vicki Chan</u>	<u>Description</u>	<u>Hrs.</u>
Oct 4	Update landlord claims register.	0.7
Oct 5	Update forecast model, cash flow and variance analysis for Monitor's Eighth Report.	1.2
Oct 9	Review of Monitor's Eighth Report.	0.8
TOTAL – V. Chan		2.7 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Oct 4	Prepare employee notices of revision or disallowance.	0.25
Oct 9	Assist D. Gumprich with Iron Mountain paperwork copying and courier.	1.2
Oct 10	Prepare letters to landlords.	2.0
Oct 11	Prepare letters to landlords and mail via registered mail.	2.0
Oct 28	Update landlord claims register with landlord submissions of additional information.	1.0
TOTAL – M. Lee		6.45 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
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Vancouver, BC V6C 3A6
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By Email

December 18, 2012

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period November 1 to November 30, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	29.60	\$595	\$17,612.00
C. Beveridge, Senior Director	48.75	450	21,937.50
T. Powell, Manager	12.35	400	4,940.00
V. Chan, Senior Associate	46.00	325	14,950.00
M. Lee, Analyst	9.25	200	1,850.00
	145.95		61,289.50
Add: out of pocket expenses			
Courier fees			94.43
Website maintenance			112.50
Add: HST (12%)			7,379.57
TOTAL INVOICE			\$68,876.00

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #17
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Nov 1	Review of materials submitted by Bob Yeager on behalf of [REDACTED] and related emails to staff and Faskens; conference call with C. Jones and K. Jackson of Faskens regarding [REDACTED] claim including review of submissions/arguments of Yeager.	1.5
Nov 2	Receipt and review of memorandum prepared by C. Jones at Faskens and respond via email; close escrow account and arrange for wire to Sterling of interest discussion with C. Beveridge on landlords.	1.0
Nov 5	Email to P. Rubin at Blakes regarding Directors queries regarding tax related issues.	0.1
Nov 6	Draft letter to Board of Directors regarding potential recoveries in the Sterling estate and email to K. Keilty at Blakes regarding same; telephone conversation with K. Jackson regarding [REDACTED] claim; internal discussion with C. Beveridge on landlords claims.	1.0
Nov 7	Finalize letter to Board regarding potential distributions and amend letter for comments from Faskens; email to D. Gumprich regarding various matters and confirm status of same.	1.0
Nov 8	Attend to various emails with C. Beveridge regarding [REDACTED] claim and related documentation.	1.0
Nov 9	Attend to various emails with Faskens, Blakes and C. Beveridge regarding letter to Directors and [REDACTED] claim status; review email from SICA regarding pending creditors meeting and request for update.	1.0
Nov 13	Draft update email for SICA and telephone conversation with W. Anidjar; finalize letter to Board; internal meeting and discussions regarding status if landlord claim negotiation and [REDACTED] claim.	2.7
Nov 14	Telephone conference with D. Gumprich regarding various matters including payments to [REDACTED], cash management and signatory matters, recent cash flow variance report, outstanding employee proofs of claim and escrow account; review lease summary and meeting with C. Beveridge and V.Chan.	1.8
Nov 15	Review landlord claims and internal meeting regarding analysis to be provided to Company and Blakes; meeting with Faskens re: [REDACTED] claim and landlord matters and interim distribution; meeting with D. Gumprich, Blakes and Faskens regarding landlord matters and timing of interim distribution.	2.5
Nov 16	Internal discussion and review of analysis to be provided to Company/Blakes on landlord claims; discussion regarding cash flow variances; receipt and review of letter to KBK Ventures re: settlement of head office lease.	1.0



Sterling Shoes, Inc. - 87138

Nov 19	Attend to various emails regarding approval of settlement on head office lease.	1.0
Nov 20	Review email from SICA and draft response and discuss same with Faskens; review of Notice of Revision and Disallowance of [REDACTED] claim.	1.0
Nov 21	Finalize email to SICA and review lease/landlord claim matters.	1.0
Nov 22	Internal discussion and review of landlord claim analysis.	1.0
Nov 23	Detailed review of landlord claims analysis; review of Notice of Disallowance and Revision on [REDACTED] claim; Internal meeting with C. Beveridge and V. Chan regarding landlord claims analysis and various sensitivities.	2.0
Nov 24	Email to C. Beveridge regarding [REDACTED] claim.	0.5
Nov 26	Review memorandum prepared by C. Beveridge regarding methodology and analysis surrounding landlord claims.	0.5
Nov 27	Internal meeting and discussion regarding analysis surrounding landlord claims.	1.0
Nov 28	Telephone conversation with P. Rubin at Blakes regarding next steps and various matters regarding interim distribution; prepare outline and draft notes in respect of the Monitor's Ninth Report and internal meeting regarding same.	2.5
Nov 29	Review final memorandum on lease analysis and methodology; draft Monitor's Ninth Report.	2.5
Nov 30	Prepare for and attend meeting with Blakes (P. Rubin and A. Crabtree) and Faskens regarding pending Court application, landlord amounts, interim distribution and related matters.	2.0
TOTAL – T. Martin		29.6 hrs.



Sterling Shoes, Inc. - 87138

<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Nov 1	Review of D. Alves claim; discussion with T. Powell on landlord responses; call from Shape Properties; discussion with T. Martin re: ██████ claim.	3.0
Nov 2	Email to A. Crabtree and D. Gumprich on KBK lease; discussion with V. Chan and T. Martin on landlord analysis.	0.75
Nov 5	Emails to G. Segal at KBK and call to D. Gumprich.	0.5
Nov 6	Discussion with V. Chan on landlord data; discussion with T. Martin on landlord claims and ██████ claim.	1.0
Nov 7	Emails to and from A. Crabtree.	0.5
Nov 8	Call to CIT/Konica (I. Fraser) on their revised claim and request for further information; emails to T. Martin on ██████ claim.	0.25
Nov 9	Call with K. Jackson on ██████ claim; review Notice of Disallowance and Revision for ██████; call to A. Crabtree with C. Beveridge re: employees/landlord meeting.	1.25
Nov 13	Call to K. Jackson on ██████ claim; internal discussion with T. Martin; review of the claim and the relevant sections of the APA; discussion on landlord analysis with V. Chan and email to D. Gumprich.	3.5
Nov 14	Review of landlord responses received; meeting with V. Chan and T. Martin on analysis; rework analysis; detailed review of leases to understand output results; email to D. Gumprich and A. Crabtree to set up a meeting on landlord claims; review CF settlement agreement and affidavit. Review email from K. Jackson and forward to A. Crabtree and discuss same with T. Martin; call with D. Gumprich on cash balances and consolidated bank accounts	5.5
Nov 15	Meeting with D. Gumprich on banking and budget vs. actual cash flow and review of employee claims with A. Crabtree; call to A. Crabtree on CF settlement and ██████ letter; meeting with Blakes and Faskens on the landlord analysis. meeting to discuss further analysis with T. Martin and V. Chan; meeting with Blakes on ██████ claim.	6.25
Nov 16	Call with Bell Canada and to K. Jackson; call with D. Gumprich re: KBK and discussion with V. Chan on further information from landlords; review KBK letter from Blakes and email to T. Martin.	1.5
Nov 19	Call from Unimax creditor; review of ██████ letter and timing for the forms; discussion with T. Martin and K. Jackson re: D. Alves claim; discussion with V. Chan on revised landlord summary and review of documents.	1.25



Sterling Shoes, Inc. - 87138

Nov 20	Meeting with D. Gumprich on the landlords; review V. Chan data on landlords.	1.75
Nov 21	Detailed review of landlord responses and loss calculations.	5.5
Nov 22	Call to J. Piazza (employee) and review of landlord claims; discussion with V. Chan on changes required and reformatting; review of amended data.	4.25
Nov 23	Review of landlord results and discussion with T. Martin and V. Chan; draft memo on process and call to D. Gumprich.	3.5
Nov 26	Finalize memo on landlord claims process and discuss same with T. Martin and V. Chan; call from employees on status of claims.	3.5
Nov 27	Call with D. Gumprich; review memo circulated to Blakes, Faskens, etc.; call to V. Chan.	1.75
Nov 28	Issue lease memo and had further discussion with V. Chan on landlord analysis.	0.75
Nov 30	Meeting on the lease analysis results with Faskens and Blakes; discussion with D. Gumprich on budget vs. actual results and cash flow reconciliation.	2.5
TOTAL – C. Beveridge		48.75 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Nov 1	Respond to various telephone calls and emails from creditors and employees; internally discuss B Code claims and related updates to the claims register.	1.5
Nov 5	Respond to calls from various debenture holders and brokers for debenture holders regarding the October 31, 2012 debenture maturity.	0.75
Nov 6	Respond to enquiries from third party claims buyers; respond to telephone calls and emails from former employees; internally discuss updating and formatting of the landlord settlement tracking sheet with V. Chan and oversee updating of same; attend to file administration.	1.75
Nov 7	Respond to enquiries from creditors and parties with assigned claims; attend to file administration.	0.75
Nov 8	Attend call with BC Hydro to discuss the timing of transfer of various hydro accounts and email correspondence regarding the same; respond to employee enquiries.	1.25
Nov 9	Telephone and email correspondence with Claims Recovery Group, Liquidity Solutions Inc. and Argo Partners to obtain an update list of assigned claims to reconcile to the Monitor's records; respond to an enquiry from an employee who wished to submit a late claim and internal discussion regarding the same.	1.5
Nov 12	Correspondence with A. Yu, former Controller, regarding correspondence she has received from creditors; review list of assigned claims from Argo Partners.	0.75
Nov 13	Respond to enquiry from former employee; internally discuss a creditor amount with M. Lee.	0.5
Nov 14	Respond to telephone call from Kamloops Lodge Hotel regarding a creditor claim and reconcile their claim discrepancy due to a name change.	0.6
Nov 15	Respond to enquiries from trade creditors; respond to enquiries from parties with assigned claims; respond to email regarding expected distribution.	0.5
Nov 16	Various email correspondence with creditors.	0.2



Sterling Shoes, Inc. - 87138

Nov 19	Attend creditor calls with Emu and Pitney Bowes; internally discuss claim amounts and certain claim assignments.	1.0
Nov 20	Attend to email correspondence with a creditor.	0.1
Nov 21	Attend call with legal counsel for a creditor; respond to enquiry from a former employee; attend to file administration.	1.0
Nov 28	Attend call with Bankruptcy Highway regarding collection of a stayed unsecured claim.	0.2
TOTAL - T. Powell		12.35 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Nov 1	Compiled additional information regarding claim received from landlords to prepare a settlement tracker	6.0
Nov 5	Compiled additional information regarding claim received from landlords to prepare a settlement tracker	1.0
Nov 6	Compiled additional information regarding claim received from landlords to prepare a settlement tracker	6.0
Nov 13	Sensitivity analysis over landlord settlement tracker	4.5
Nov 14	Additional analysis over landlord settlement tracker	6.0
Nov 15	Additional analysis over landlord settlement tracker	5.0
Nov 16	Additional analysis over landlord settlement tracker	1.0
Nov 20	Comparison of landlord claim with claim under the BIA	1.0
Nov 22	Additional analysis with the BIA claim for landlords	2.5
Nov 23	Additional analysis over landlord settlement tracker	4.0
Nov 26	Updating Landlord tracker and claims analysis, review of internal memo documenting our procedures over Sterling claims, and follow-up discussions with landlords	6.0
Nov 27	Updating Landlord tracker and claims analysis, response to Dan Gumprich's question of Appendix A, and preparing scenario analyses	3.0
TOTAL – V. Chan		46.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Nov 1	Review trades claims register against hard copy of claims.	0.75
Nov 2	Review trades claims register against hard copy of claims and confirm assignments/transfers of claims.	3.0
Nov 6	File leases, correspondence, etc., into binders.	1.0
Nov 7	File Notices of Disallowance and/or Revision into binders.	1.5
Nov 8	Review employee claims register against hard copy of claims.	2.0
Nov 19	Review claims register against hard copy of claims and clean up data.	1.0
TOTAL – M. Lee		9.25 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
Vancouver, BC V6C 3A6
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Fax: +1 604 638 7441

By Email

January 21, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period from December 1 to December 31, 2012 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	31.80	\$595	18,921.00
C. Beveridge, Senior Director	59.25	450	26,662.50
T. Powell, Manager	10.75	400	4,300.00
V. Chan, Senior Associate	23.50	325	7,637.50
M. Lee, Analyst	12.00	200	2,400.00
	137.30		59,921.00
Add: out of pocket expenses			
Courier fees			130.35
Add: HST (12%)			7,206.16
TOTAL INVOICE			\$67,257.51

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Marianna Lee
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #18
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Dec 1	Receipt and review of WEPPA related matters and email from Faskens and review draft outline of Monitor's Ninth Report.	0.5
Dec 3	Draft outline of Monitor's Ninth Report; review claims analysis and related matters; review materials for December 12 th hearing prepared by Blakes; review letters to select former employees regarding unsettled claims.	2.2
Dec 4	Preparation for and attendance at meeting with Blakes and D. Gumprich regarding upcoming hearing; review mark up with Faskens of D. Gumprich #10 affidavit and draft Order; Internal discussion and meeting of timelines and draft Monitor's Report; meeting and discussions with D. Gumprich regarding landlord related matters.	3.0
Dec 5	Review and edit of draft of Monitor's Ninth Report; telephone conversation with representative of Computershare regarding notice to convertible debenture holders of Sterling Shoes Inc.; receipt and draft response to email from representative of SICA.	4.1
Dec 6	Finalize Monitor's Ninth Report and edits; review of various matters including claim by CRA, WEPPA amounts, Alves claim, and other matters; review comments on draft report by Blakes and Faskens; receipt and review of letters from Blakes to landlords and revised settlement offers; telephone discussion and email with Faskens regarding various matters.	3.0
Dec 7	Internal meeting and discussion regarding Alves claim and related emails; review of final edits of Monitor's Ninth Report; preparation for and attendance on call with Faskens regarding █████ claim.	1.5
Dec 10	Review of email from SICA regarding potential dividends and professional fees; telephone conversation (x2) with Faskens regarding settlement of █████ claim; draft and dispatch of email to SICA regarding professional fees and other matters; internal meeting and discussion regarding letters to landlords and related timing of replies.	1.5
Dec 11	Internal discussion regarding █████ claim and preparation of a dividend register template.	0.5
Dec 12	Review of █████ claim matter and related emails; draft letter to █████ re: proof of claim; Review final Order; review outline of Monitor's Eleventh Report; review and consider employee claims and potential withholdings.	1.0



Sterling Shoes, Inc. - 87138

Dec 13	Review issue surrounding HST on lease claims; consider and email with staff regarding retention terms for CFO; review email from SICA; consider edits to [REDACTED] letter.	1.0
Dec 14	Internal email regarding terms of CFO's retention; update on landlord claims process; finalize and approve letter to [REDACTED].	1.0
Dec 17	Internal meeting and discussion regarding status of landlord claims and related matters.	1.0
Dec 18	Review D. Gumprich amendment to employment extension and emails to D. Gumprich regarding professional fees; draft and dispatch of email to SICA; review of Monitor's Report outline for Eleventh Report; email to Faskens regarding Gumprich consulting agreement and landlord related matters.	3.5
Dec 19	Internal meeting and discussion regarding claims settlement, D. Gumprich employment and consulting agreements; review of Monitor report outline and review of late Notice of Dispute re: Primaris lease.	2.2
Dec 20	Review Notice of Dispute re: Primaris lease and internal discussion regarding same.	1.0
Dec 21	Review status of landlord proofs of claim and settlements.	0.5
Dec 24	Review Dividend and Proof of Claim checklist and internal discussion regarding same.	1.0
Dec 27	Review draft consulting agreement with D. Gumprich and email to Faskens; review emails from McLean Kerr and consider proposed responses thereto.	1.3
Dec 28	Review various emails regarding Cataquari lease.	0.5
Dec 31	Review and drafting/editing of outline of Eleventh Monitor's Report and related matters.	1.5
TOTAL – T. Martin		31.80 hrs.



<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Dec 3	Analysis of landlord claims. Preparation of tables for report and drafted report contents. Calls to landlords and updated latest responses from landlords.	4.5
Dec 4	Prepared Monitor's Ninth report to court. Attended meeting on leases with Blakes and Faskens. Prepared claims summary and reviewed the proof of claims register.	9.0
Dec 5	Call with D. Gumprich and A. Crabtree regarding CRA claim. Reviewed landlord claims. Calls to various landlords on revised offer. Prepared Monitor's Ninth Report.	8.5
Dec 6	Finalized report including incorporating comments from Sterling, Blakes and Faskens. Updated tables and report contents. Reviewed bank reconciliation with D. Gumprich. Internal discussion on tables, treatment of [REDACTED] claim and landlord claims. Reviewed landlord letters from Blakes and provided comments. Called various landlords re: claims and submissions. Discussed CRA claim with T. Martin and P. Rubin. Reviewed proof of claim register.	10.0
Dec 7	Updated final comments on the report and submitted report to Faskens. Call with K. Jackson and C. Jones on the [REDACTED] claim.	4.5
Dec 10	Checked landlord letters and provided final comments to A. Crabtree. Received call from S. Adams - landlord for Village Green, Vernon. Discussed creditor claim with T. Powell and D. Gumprich (Classic Packaging). Called G. Wong at Oxford Properties regarding Company's offer to settle.	4.5
Dec 11	Responded to queries from A. Crabtree at Blakes on landlord letters.	1.5
Dec 12	Call to D. Gumprich on the updated March 2013 cash flow forecast. Prepared January 2013 report and employee claims memo and held internal discussion.	4.0
Dec 13	Reviewed payment schedule with M. Lee. Finalized letter to [REDACTED] regarding settling his claim. Performed analysis of employee data and reviewed memo from D. Forer. Reviewed leases where no claim was filed. Discussion with T. Powell and V. Chan on landlord claims. Call from M. Charlton (landlord for Mariner Square) on her claim. Meeting with D. Gumprich to discuss March 2013 cash flow forecast and assumptions, employee claims, process for handling proofs of claim.	5.25

Sterling Shoes, Inc. - 87138

Dec 14	Issued letter to [REDACTED] on [REDACTED] claim. Provided professional fees estimate to D. Gumprich for the March 2013 cash flow forecast. Email to Bentall Kennedy regarding the offer to settle. Reviewed landlord register.	1.5
Dec 18	Reviewed correspondence regarding D. Gumprich's contract extension and draft consulting agreement.	1.0
Dec 19	Responded to call from landlord (Shape Properties) and sent email response. Internal discussion on the proposed timing and quantum of the distribution. Discussion with V. Chan on the landlord claim register and process.	2.5
Dec 20	Drafted internal memo on the proof of claim process. Discussion with D. Gumprich on cheques for proof of claim process and cash flow forecast. Discussion with A. Crabtree on the Primaris claims (outstanding claim and the Cataraquai Centre claim).	2.5
TOTAL – C. Beveridge		59.25 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Dec 3	Respond to call from Argo Partners; respond to voicemail from former employee; discuss a compensation with Blakes and discuss same internally with c. Beveridge.	1.5
Dec 4	Respond to call from Claims Recover Group; correspond with A. Crabtree of Blakes.	0.25
Dec 5	Telephone conversation with Liquidity Solutions.	0.25
Dec 7	Phone calls from former employees; attend to file administration; internally discuss claims register; telephone call from a creditor.	1.0
Dec 10	Attend to website updates; respond to creditor voicemail.	0.5
Dec 11	Attend to file administration; respond to creditor emails; internally discussion re: Proof of Claim memo.	0.25
Dec 12	Telephone calls from creditors; review claims register and discuss with M. Lee.	1.0
Dec 13	Discuss employee claims with C. Beveridge and D. Gumprich; discuss analysis of claims by store number with V. Chan; respond to creditor calls.	1.0
Dec 19	Respond to call/email from counsel for a former employee regarding a potential relating to the CCAA period; discuss same with C. Beveridge and forward correspondence to D. Gumprich.	0.5
Dec 20	Correspond with various creditors including a debenture holder.	0.5
Dec 21	Various correspondence re. assigned claims; correspondence with credit adjuster City of Winnipeg regarding business taxes.	1.0
Dec 31	Internally review distribution checklist with M. Lee and V. Chan; review claims process email account and Sterling email files to confirm all claims received electronically are captured in the claims register.	3.0
TOTAL – T. Powell		10.75 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Dec 3	Updated landlord tracker with disclaimer dates and comparison columns.	3.0
Dec 4	Meeting with D. Gumprich and legal counsel, updated landlord tracker.	4.0
Dec 5	Prepared Monitor's Ninth Report.	0.5
Dec 7	Prepared letters sent to unresolved landlords with the final offer settlement.	1.5
Dec 10	Reviewed letters sent to unresolved landlords with the final offer settlement.	1.5
Dec 11	Filing settlement letters and responses.	0.5
Dec 12	Review of acceptance letters received from landlords.	0.5
Dec 13	Prepared a register for terminated employees with proofs of claims filed and related analysis.	1.5
Dec 14	Prepared a register for terminated employees with proofs of claims filed and related analysis.	1.0
Dec 18	Review of acceptance letters received from landlords.	1.5
Dec 19	Review of acceptance letters received from landlords.	0.5
Dec 21	Review of acceptance letters received from landlords.	0.5
Dec 24	Review of employee claims in preparation for distribution.	3.0
Dec 31	Review of pre-filing vendor claims in preparation for distribution.	4.0
TOTAL – V. Chan		23.5 hrs.



Sterling Shoes, Inc. - 87138

<u>Marianna Lee</u>	<u>Description</u>	<u>Hrs.</u>
Dec 11	Review pre-filing & employee claims information against claims register.	4.0
Dec 13	Review pre-filing & employee claims information against claims register.	4.0
Dec 28	Review and update pre-filing and employee claims and prepare mailing register for distribution.	3.0
Dec 31	Review and update register and internal meeting with T. Powell and V. Chan.	1.0
TOTAL – M. Lee		12.0 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
Suite 1680, Commerce Place
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Phone: +1 604 638 7440
Fax: +1 604 638 7441

March 7, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period from January 1 – January 31, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	29.60	\$595	\$17,612.00
C. Beveridge, Senior Director	71.50	450	32,175.00
T. Powell, Director	29.00	400	11,600.00
V. Chan, Senior Associate	69.00	325	22,425.00
M. Lee, Analyst	16.40	200	3,280.00
M. Cheung, Executive Assistant	7.35	100	735.00
	222.85		87,827.00
Add: out of pocket expenses			
Courier fees			76.70
Website maintenance			56.25
Add: HST (12%)			10,555.19
TOTAL INVOICE			\$98,515.14

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: **87138 – Invoice #19**
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Jan 2	Receipt and review email from Blakes regarding Consulting Agreement with D. Gumprich; review of outstanding matters surrounding claims process and distribution; review various proofs of claim and internal discussion regarding status of claims process;	1.5
Jan 3	Internal meeting and discussion regarding claims process and review of draft Monitor's report; review of emails from Faskens regarding hearing set for Jan 10 th ; review cash flow forecast and professional fees forecasts and internal discussion regarding same;	2.4
Jan 5	Receipt and review emails from Faskens regarding draft Order and Affidavit #11 of D. Gumprich and review of same; email to D. Toigo of Faskens regarding draft language in Order in respect of Monitor's expanded powers;	1.5
Jan 7	Review of mark up of draft Order and Affidavit #11 of D. Gumprich and email with comments to Faskens; internal discussion regarding content of Affidavit #11; review draft and edits of Monitor's report; meeting and discussion with D. Gumprich regarding cash flow forecast and related matters;	3.0
Jan 8	Receipt and review and edit of final draft of Monitor's Tenth Report; conference call with A. Crabtree and P. Rubin of Blakes regarding various matters and comments on Monitor's Tenth Report;	2.5
Jan 9	Receipt and review of emails from Primaris; attend to email of SICA; review preliminary claims listing and distribution proforma calculations;	1.5
Jan 10	Internal meeting and discussion and update on status of claims process and distribution exercise; review of various emails regarding Order of the Court;	1.0
Jan 11	Receipt and review and attend to emails regarding various queries on outstanding or unresolved claims and short term extension of D. Gumprich employment arrangements;	1.0
Jan 14	Receipt and review and attend to email to and from SICA; review status of claims process and review outstanding issues;	1.5
Jan 15	Conference call with P. Rubin and A. Crabtree of Blakes regarding Travelers' pricing of D&O run off policy and timing of cancellation of current policies and related matters of Directors and Officers if Sterling Shoes Inc.;	2.0



Sterling Shoes, Inc. - 87138

Jan 16	Internal meeting and discussion regarding letters to assignees of claims and confirmation sought as well as review of banking matters, signing authorities and such matters;	1.0
Jan 17	Review of settlement agreement on Catararqui lease with Primaris; internal discussion regarding CRA claim and approach to settlement and arrangements for meeting with Blakes and Faskens;	1.5
Jan 18	Conference call with M. Buttery of Davis, Faskens and Blakes regarding Directors; review letter to SICA regarding confirmation of assigned claims and related matters;	1.2
Jan 21	Preparation for and attendance regarding update on claims settlements and related matters; discussion regarding D. Gumprich proof of claim;	1.0
Jan 22	Internal discussion regarding proof of claim of CRA and proforma calculations for purposes of settlement;	1.0
Jan 23	Review of various emails and status update on distribution and unsettled claims; Review and respond to emails from Centilis Capital regarding assigned claims;	1.0
Jan 25	Internal discussion regarding review of claims registers and proforma distribution calculations;	1.0
Jan 28	Internal discussion regarding review of claims registers and proforma distribution calculations;	1.0
Jan 30	Telephone conference with Clarks Shoes representative regarding distribution and proof of claim status; review SICA emails; review proforma holdback calculations and internal discussion regarding same;	1.0
Jan 31	Telephone conversation with representative of Bank of Montreal re Sterling bank accounts; email to Clarks Shoes; Review late employee claims.	2.0
TOTAL – T. Martin		29.6 hrs.



Sterling Shoes, Inc. - 87138

<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Jan 2	Review of cash flow. Review of landlord claims. Call with D. Gumprich. Drafting Monitor's report. Internal discussion on claims process, etc and discussion with V. Chan on tables for the report;	5.0
Jan 3	Call with P. Rubin re: potential realizations. Call with D. Gumprich on cash flow forecast. Discussion with V. Chan on claims process. Call from employee. Drafting report and further review of updated cash flow;	4.5
Jan 7	Preparing court report for the 10 th January. Review cash flow and internal discussions on report;	4.5
Jan 8	Writing report and email on landlords. Email to K. Keilty. Discussions with BMO on term deposit;	5.0
Jan 9	Email from D. Tigoi on the report and call from A. Crabtree re: landlords;	0.25
Jan 10	Internal meeting to discuss distribution. Discussion with T. Martin on claims summary. Call from employee on the process. Call from UK re: sale of assets. Call from A. Crabtree re: employees;	1.75
Jan 11	Claims questions from HCD and KBK;	0.75
Jan 14	Meeting with T. Martin on distribution process/memo. Discussion with V. Chan on CIT claim. Emails from A Crabtree and D Gumprich on various claims and landlords;	2.25
Jan 15	Call from M. Roy at CRA. Discussion with D. Gumprich on T4s and creditor process. Call to A. Crabtree on landlord/CRA. Update checklist for the distribution. Draft assignments letter for landlords. Call to D. Gumprich on various matters. Email to K. Jackson on distribution;	6.25
Jan 16	Letters and emails on the distribution;	1.25
Jan 17	Call to M. Roy at CRA re: their claim. Email to P. Rubin and A. Crabtree. Discussion with A. Crabtree on landlord claims and Primaris;	2.25
Jan 18	Meeting with D. Gumprich. Internal meeting on proof of claim process. Call to A. Crabtree re: D. Gumprich proof of claim. Review all employee notice of disputes, ESA claims and settlements;	3.5



Sterling Shoes, Inc. - 87138

Jan 21	Meeting with Blakes and Faskens re: amount of the distribution and other matters. Finalize D. Gumprich's consulting contract. Call from SICA. Review of employee claims file. Discuss CRA claims status and update and review distribution checklist;	3.5
Jan 22	Discussion with D. Gumprich on distribution mechanics. Calculation of holdbacks for unsettled claims. Email to A.Crabtree re: landlords. Update distribution calculation for the above;	3.25
Jan 23	Call from Darren Williams (counsel for [REDACTED]). Call from R. Axenrod of Claims Recovery Group. Email to G. Kavanagh of Raymond James re: equity holders. Internal meeting on assignments. Discussions with T. Powell on verification of creditor balances. Call to D. Gumprich re: various matters. Reviewed information from CRG and sent further assignment confirmations. Provided landlord lists to Blakes for letters;	5.25
Jan 24	Dealt with enquiry from Ministry of Labour (Ontario) re: claim for unpaid wages. Discussion with D. Gumprich on above and PGI payments. Email to A. Crabtree on court order. Internal discussion on assignments and email from CRG;	4.5
Jan 25	Review claims register for landlord claims. Checked each to file and register;	3.5
Jan 26	Further review of Sterling payment register and checked them to the landlord file;	4.0
Jan 28	Check register to claims. Write up landlord comments from review. Call to CRA. Responded to query from creditor. Call to D. Gumprich re: PGI, Drucker claim and CRA;	4.5
Jan 29	Write up pre-filing notes from review of file. Check notice of dispute for pre-filing claims and internal discussion on status of claims process;	2.0
Jan 30	Internal discussion on claims register;	1.0
Jan 31	Call to D. Gumprich. Internal discussion on claims process and payments. Email from SICA on status of distribution. Call to Classic Packaging to resolve their claim. Preparation of letters to creditors, landlords and employees and calculation of final holdback amounts updated from recent information received.	2.75

TOTAL – C. Beveridge

71.5 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jan 2	Email and telephone correspondence with creditors;	0.5
Jan 3	Email and telephone correspondence with creditors;	1.0
Jan 7	Email and telephone correspondence with creditors. Telephone call with D. Gumprich;	0.5
Jan 9	Email and telephone correspondence with employees regarding creditor distribution;	0.5
Jan 10	Internal meeting with C. Beveridge, V. Chan, M. Lee regarding the claims register and work plan in preparation of the initial distribution; Email and telephone correspondence with creditors and former employees;	2.0
Jan 11	Email and telephone correspondence with creditors;	0.5
Jan 15	Email and telephone correspondence with creditors; internally discuss distribution matters with C. Beveridge; respond to enquiries from parties with assigned claims;	2.0
Jan 16	Email and telephone correspondence with creditors and parties with assigned claims; attend to file administration;	1.5
Jan 17	Attend telephone call with legal counsel for a former employee; attend to file administration;	1.0
Jan 18	Internally discuss landlord matters; review landlord disputes on file and completeness of landlord claims register; internal discussion with C. Beveridge and V. Chan regarding claims distribution matters;	3.0
Jan 22	Internal discussion with M. Lee regarding payment schedules; Email and telephone correspondence with creditors;	1.5
Jan 23	Respond to telephone calls from creditors; internal discussion regarding assigned claims and related confirmations; review trade accounts payable listing;	2.0
Jan 24	Correspond with City of Calgary regarding outstanding post-filing invoices; attend to employee calls;	1.0
Jan 25	Attend to various claims and distribution related matters and various internal meetings regarding the same;	2.5
Jan 26	Attend to various creditor correspondences;	0.5



Sterling Shoes, Inc. - 87138

Jan 27	Review the employee claims register and supporting documentation and document review points;	3.0
Jan 28	Attend to creditor enquiries; discussion with V. Chan regarding review points on the employee claims register;	1.0
Jan 29	Various correspondence with V. Chan and C. Beveridge regarding claims and distribution matters; correspond with an employee regarding timing of distribution;	1.5
Jan 30	Various claims and distribution related matters; telephone meeting with C. Beveridge and V. Chan;	1.0
Jan 31	Attend to claims and assignment matters; email and telephone correspondence with creditors; review outstanding work plan items; various internal correspondence regarding the same.	2.5
TOTAL – T. Powell		29.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jan 3	Prepared Monitor's 10 th Report;	3.0
Jan 4	Reviewed employee claims register and related filings;	2.0
Jan 7	Updated Monitor's 10 th Report;	1.0
Jan 10	Finalized landlord settlements and follow-up on a revised pre-filing proof of claim received;	2.0
Jan 11	Preparation for interim distribution;	0.5
Jan 14	Follow-up on several landlord and pre-filing claims;	1.0
Jan 15	Prepared claims letter to confirm all assigned pre-filing claims and preparation of landlord payment register for distribution;	5.5
Jan 16	Prepared cover letter to assignees of pre-filing claims and phone discussions with creditors;	3.0
Jan 21	Preparation for interim distribution and calculation of the reserved holdback; phone discussion with creditor;	2.0
Jan 22	Preparation for interim distribution;	3.0
Jan 23	Preparation for interim distribution; follow-up with landlords regarding mailing information and assigned pre-filing claims;	4.0
Jan 24	Preparation for interim distribution;	3.5
Jan 25	Preparation for interim distribution;	8.0
Jan 28	Preparation for interim distribution;	8.0
Jan 29	Preparation for interim distribution;	7.5
Jan 30	Preparation for interim distribution;	8.0
Jan 31	Preparation for interim distribution.	7.0
TOTAL – V. Chan		69.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Marianna Lee</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Jan 9	Attend to email and telephone correspondence with employee re: claim;	0.25
Jan 10	Internal discussion with C. Beveridge, T. Powell and V. Chan re: progress of distribution and claims register; attend to telephone call with employee re: claim;	0.5
Jan 23	Correspond with Argo Partners and Liquidity Solutions re: assignment of claims; attend meeting with C. Beveridge, T. Powell and V. Chan re: distribution and assigned claims; review and update claims register;	2.5
Jan 24	Review pre-filing claims; review and revise foreign currency claims; review and revise employee claim amounts;	5.0
Jan 25	Review employee claims; update claims register; create mailout register;	4.0
Jan 29	Update employee and pre-filing register;	3.0
Jan 30	Respond to employee emails re: distribution;	0.15
Jan 31	Update T4 register and respond to distribution inquiries.	1.0
TOTAL – M. Lee		16.4 hrs.



Sterling Shoes, Inc. - 87138

<u>Monica Cheung</u>	<u>Description</u>	<u>Hrs.</u>
Jan 15	Prepared mail merge for claims letter;	1.0
Jan 16	Prepared mail merge for claims letter; sent originals to creditors & copies to assignees;	2.35
Jan 23	Prepared mail merge for claims letter;	1.0
Jan 24	Prepared mail merge for claims letter; sent originals to creditors;	2.0
Jan 29	Follow up with creditors re: claims assignment letter.	1.0
TOTAL – M. Cheung		7.35 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
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Vancouver, BC V6C 3A6
Phone: +1 604 638 7440
Fax: +1 604 638 7441

March 18, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Attention: Mr. Daniel Gumprich
Chief Financial Officer

For services rendered for the period from February 1 – February 28, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	35.00	\$595	\$20,825.00
C. Beveridge, Senior Director	31.75	450	14,287.50
T. Powell, Director	25.75	400	10,300.00
V. Chan, Senior Associate	57.00	325	18,525.00
M. Lee, Analyst	2.50	200	500.00
M. Cheung, Executive Assistant	37.45	100	3,745.00
	189.45		68,182.50
Add: out of pocket expenses			
Postage			1,911.33
Courier fees			131.39
Website maintenance			75.00
Taxi Fares			23.22
Add: HST (12%)			8,438.81
TOTAL INVOICE			<u>\$78,762.25</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #20
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Feb 1	Review of claims register and proforma dividend distribution; review and sign notice of disallowance of former employee claim;	1.3
Feb 2	Review proofs of claim and agree to claims register and proforma dividend sheet;	4.0
Feb 4	Review claims register and internal discussion regarding same; review and edit letter to former employee (REDACTED); review standard letter to employees and creditors; attend to banking matters at BMO including setting up new accounts with Monitor; telephone conversation with K. Jackson at Faskens regarding priority of convertible debentures; telephone conversation with SICA regarding timing of dividend; review of material from M. Buttery at Davis LLP regarding return of D&O insurance premiums;	1.5
Feb 5	Review draft letters to claimants and internal discussion regarding same; Attend to distribution related matters and internal discussions and meetings; telephone discussion with M. Buttery regarding notice of claim to insurers and related matters; telephone conversation with K. Jackson at Faskens regarding convertible debenture priority; internal meeting to finalize all distribution payments; emails to BMO regarding signatories and related matters; Review draft notice of distribution to be posted on website;	3.5
Feb 6	Review duplicative claims by adidas AG and resolution of same; attend to banking matters with BMO representatives; review cheques and distribution register; finalize letters to claimants;	1.0
Feb 7	Internal meeting and discussion regarding outstanding claims matters; prep and review of cheques to claimants; review Distribution Order and review intercompany balances and reconciliation of same; email to Blakes, Faskens and D. Gumprich regarding intercompany balances; sign cheques and agree to distribution register;	4.0
Feb 8	Cheques signing and review; receipt and review of Company trial balances regarding intercompany positions as at date of Initial Order; telephone conversation with D. Gumprich regarding reconciliation of intercompany amounts;	3.0



Sterling Shoes, Inc. - 87138

Feb 12	Update from V. Chan regarding distribution cheques clearing bank accounts; email to Logan at Clarks; telephone conversation with K. Jackson regarding intercompany balances;	0.5
Feb 13	Review Logan email; telephone conversation with K. Jackson regarding distribution and related matters; email to D. Gumprich regarding reconciliation of intercompany accounts; email to K. Keilty at Blakes regarding corporate structure issues; internal discussion and meeting regarding cheques clearing and related matters;	1.2
Feb 14	Telephone conversation with K. Keilty at Blakes regarding corporate structure issues and Class E units entitlements; receipt and review of documents and flow of funds memo from K. Keilty;	2.0
Feb 15	Email to Clarks, SICA and legal counsel regarding first interim distribution; reconciliation of postage charges and such to cheques sent out; review of notice on website and email to C. Beveridge;	2.0
Feb 18	Internal meeting and discussion regarding update of T-4 issuances, reconciliation of cheques dispatched and claim by CRA;	0.5
Feb 19	Review and analysis of information from D. Gumprich and Blakes relating to intercompany balances and priority positions;	3.5
Feb 20	Draft internal memoranda and analysis of intercompany balances; internal meeting on Cole Haan claim and related matters;	1.5
Feb 21	Review of legal invoices and costs for payment; internal discussion regarding T-4 issuances from Sterling, Town and PGI;	0.5
Feb 22	Update and execute consulting agreement with D. Gumprich; review cheque reconciliation and other matters;	1.0
Feb 25	Review status of various matters including mail out of T-4's, cheque reconciliations and returns;	1.0
Feb 26	Review invoice from D. Gumprich and email/discussion internally; receipt and review of Notice of Civil Claim from Thomas Lewis;	1.0

Sterling Shoes, Inc. - 87138

Feb 27	Review claims process order in context of Civil claim filed by Thomas Lewis, review of APA and listing of stores sold to Town; draft email to Blakes re: civil claim and next steps;	1.0
Feb 28	Internal discussion and meeting regarding cheques clearing and email queries on www.ssiclaims.com .	1.0
TOTAL – T. Martin		35.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Feb 1	Work on the distribution calculation including estimated hold backs. Meeting to resolve queries;	4.0
Feb 4	Further meeting on distribution. Meeting with BMO to finalize bank account details and signing authority. Meeting with D. Gumprich and writing letter to [REDACTED];	6.0
Feb 5	Internal meeting with T. Powell, V. Chan and T. Martin on status of distribution review. Call to BMO re: signing authority. Call to D. Gumprich re PGI. Letters drafted for creditors. Calculation of hold back and dividend based on updated information. Call to Blakes re: HST on landlord claims. Notice prepared for website. LP vs GP issue discussed with Blakes and Faskens. Discussion with BMO on new accounts. Call to Adidas to confirm their claim;	5.0
Feb 6	Review of cheque register. Call to BMO re: bank signing authority to add P. Boparai. Fax sent re: GIC and transfer of funds and various emails to BMO. Call from Adidas re: their claim. Calls to D. Gumprich re payments to creditors and discussion with North 49 on the format of the register. Cleaning up register so names and addresses printed out correctly;	7.5
Feb 7	Emails to BMO re accounts and having funds ready. Signing of cheques for the distribution. Call to D. Gumprich re: processing of cheques. Signing cheques for landlord and pre-filing;	5.0
Feb 18	Internal meeting to update on distribution. Discussions with V. Chan;	1.0
Feb 19	Organized mailing of T4s to employees. Extension of D. Gumprich contract;	0.75
Feb 20	Discussion with T. Martin and V. Chan on queries and emails received;	0.25
Feb 22	Call to D. Gumprich to finalize contract. Update contract terms and sign. Meeting with T. Powell and V. Chan on remaining issues;	1.0
Feb 25	Call to D. Gumprich on insurance claim and follow up on contract/invoice for January 2013;	0.75
Feb 27	Review of status of claims and cheques cleared through BMO/PGI. Call to D. Gumprich.	0.5
TOTAL – C. Beveridge		31.75 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Feb 1	Correspond with V. Chan and C. Beveridge re claims matters; respond to creditor emails and voicemails; discuss a manager's claim with D. Gumprich; discuss payroll provider and T4 matters with M. Lee;	2.5
Feb 2	Internally discuss claims matters with T. Martin;	0.5
Feb 4	Attend internal meeting regarding status of claims and distribution; discuss and respond to T. Martin queries; resolve creditor discrepancy between claim and assignment; identify severance calculations for employees not included on the master severance calculation worksheet; attend meeting with D. Gumprich, C. Beveridge and V. Chan; obtain D. Forer severance worksheet for certain employees not included in the master severance register;	3.5
Feb 5	Discuss process used by Sterling to reconcile large differences between notice of claim amounts and proof of claims amounts and document reconciliation details for select large variances; respond to creditor enquiries; discuss content of distribution letters with C. Beveridge; discuss website matters with V. Chan;	2.0
Feb 6	Review final payment register for trade creditors; analyse for potential duplicate claims under different creditor names; respond to creditor enquiries;	1.5
Feb 7	Respond to shareholder and creditor enquiries;	0.5
Feb 8	Respond to enquiry from employee; correspond with D. Gumprich regarding the nature of certain trade creditor liabilities; review stratification of claims for landlords that also filed claims as trade creditors; correspond with C. Beveridge regarding small claims;	3.0
Feb 11	Correspond with Argo Partners regarding assigned claims; review landlord payment matters with V. Chan; attend to file administration;	1.0
Feb 12	Attend to creditor calls and emails; attend to file administration;	1.0
Feb 13	Receive creditor calls; review Sterling email account inbox and reply to various email correspondence; correspond with a landlord; phone call from Argo Partners;	1.5
Feb 14	Attend to file administration and other matters;	0.25



Sterling Shoes, Inc. - 87138

Feb 15	Respond to creditor enquiry; internally discuss same with V. Chan;	0.25
Feb 18	Respond to employee calls; attend to T4 matters; respond to creditor enquiries;	1.0
Feb 19	Correspond with claims purchasers; T4 matters; call from external accountants of a creditor; attend to CRA matters; review status of unresolved claims and discuss same with V. Chan;	2.5
Feb 20	Meet with T. Martin and V. Chan to resolve a claim discrepancy; attend call with D. Gumprich regarding T4s issued; enquiry from creditor in Brazil; respond to correspondence from former employees;	1.0
Feb 21	Compile and review spreadsheets from D. Engemoen containing documentation of review performed by management on proofs of claim received from trade creditors;	1.0
Feb 22	Correspond with D. Gumprich regarding Claims Process Order and process undertaken by Sterling with respect to notices to creditors and review of claims received;	0.5
Feb 25	Receive telephone calls from stakeholders;	0.25
Feb 26	Respond to creditor calls; correspond with New York office regarding enquiries received with respect to Sterling; discussion with V. Chan re. outstanding items and work plan.	2.0
TOTAL – T. Powell		25.75 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Feb 1	Preparation for the interim distribution;	6.7
Feb4	Preparation for the interim distribution;	7.0
Feb 5	Preparation for the interim distribution;	7.0
Feb 6	Preparation for the interim distribution;	4.5
Feb 12	Preparation for the interim distribution; amending enclosure letters; wire transfer of funds to PGI;	2.0
Feb 13	Preparation for the interim distribution and T4 mailout;	4.0
Feb 14	Preparation for the interim distribution mail out;	3.5
Feb 15	Preparation for the interim distribution mail out;	2.5
Feb 18	Addressing inquiries from creditors regarding the interim distribution; updating employee information; follow-up with PGI regarding T4 submissions;	3.5
Feb 19	Set up of the bank account; follow-up with assigned claims;	2.5
Feb 20	Review of cheques cashed from distribution; follow-up with assigned claims, addressing inquiries from creditors regarding the interim distribution; invoices received for professional fees;	4.0
Feb 21	Addressing inquiries from landlords and creditors regarding the interim distribution and employees regarding their T4s; follow-up with PGI regarding former directors' T4s and uploading information to the CRA; preparation for the T4 mailout;	4.0
Feb 22	Review of cheques cashed from distribution; update distribution analysis; internal update meeting;	2.0
Feb 25	Review of cheques cashed from distribution; correspondence with creditors and employees regarding interim distribution;	1.5
Feb 26	Review of cheques cashed from distribution; correspondence with creditors and employees regarding interim distribution;	1.5
Feb 27	Review of cheques cashed from distribution;	0.3
Feb 28	Review of cheques cashed from distribution; correspondence with employees regarding interim distribution and T4s.	0.5
TOTAL – V. Chan		57.0 hrs.



Sterling Shoes, Inc. - 87138

<u>Marianna Lee</u>	<u>Description</u>	<u>Hrs.</u>
Feb 1	Respond to emails, update T4 register, attend to telephone conversation with a pre-filing creditor regarding their claim and issue a Notice of Revision to an employee;	1.5
Feb 7	Check pre-filing cheques to final claims register amounts;	0.75
Feb 14	Respond to pre-filing creditor and employee inquiries regarding their distribution amounts and update the T4 register.	0.25
TOTAL – M. Lee		2.5 hrs.



Sterling Shoes, Inc. - 87138

<u>Monica Cheung</u>	<u>Description</u>	<u>Hrs.</u>
Feb 1	Prepared return shipping labels;	0.5
Feb 5	Prepared envelopes for mail distribution;	1.75
Feb 6	Prepared mail merge for claims letters;	2.25
Feb 7	Prepared and printed claim letters; created binders for copies of same;	4.0
Feb 8	Made copies of cheques for A&M files; review cheque amount against register;	3.25
Feb 12	Review cheque amount against register;	1.0
Feb 13	Preparation for interim distribution;	2.5
Feb 14	Preparation for interim distribution; Review T4's against copies;	5.25
Feb 15	Preparation for interim distribution; Review T4's against copies;	2.1
Feb 18	Prepared return shipping labels for T4's; Review T4's against register & copies;	4.6
Feb 20	Amalgamating copies of claim letters with cheques;	4.5
Feb 21	Preparation for T4 mailout; created binders for employee, landlord, & pre-filing distribution letters;	5.25
Feb 22	Created binders for employee, landlord, & pre-filing distribution letters.	0.5
TOTAL – M. Cheung		37.45 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
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Fax: +1 604 638 7441

April 16, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

For services rendered for the period from March 1 to March 31, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	10.7	\$595	\$6,366.50
C. Beveridge, Senior Director	30.5	450	13,725.00
T. Powell, Director	2.5	400	1,000.00
V. Chan, Senior Associate	26.5	325	8,612.50
	70.2		29,704.00
Add: out of pocket expenses			
Website maintenance			90.00
Courier fees			25.36
Add: HST (12%)			3,578.32
TOTAL INVOICE			\$33,397.68

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #21
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u><i>Todd Martin</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 5	Consideration of tax losses and possible monetization strategy and related email to D. Gumprich; Internal discussion regarding outstanding employee claim and draft letter; review of cheques;	1.0
Mar 6	Internal discussion and meeting regarding letter to employee re: resolution of claim and request for information; internal discussion pending Monitor's report and content and outline of same;	1.0
Mar 7	Internal discussion regarding outstanding cheques and payments; telephone conversation with D. Gumprich regarding tax losses and reconciliation;	0.7
Mar 11	Meeting with D. Gumprich regarding tax losses, claim of CRA for withholding amounts and other matters; sign and date loss form regarding insurance claim in respect of Oshawa store;	0.5
Mar 12	Review tax loss schedule prepared by D. Gumprich; telephone conversation with D. Gumprich regarding meeting with PwC; email to P. Rubin regarding personal injury claim/litigation;	1.0
Mar 14	Prepare for and attend meeting with PwC tax specialists regarding tax losses and possible monetization strategies; meeting with D. Gumprich regarding various administrative matters;	1.5
Mar 18	Internal discussion regarding legal invoices and review of pre-filing Blakes invoices; attend to various banking matters;	0.5
Mar 19	Internal discussion regarding Monitor's eleventh report and review of same; review of letter to CRA regarding reassessment of claim; review cash flow forecast and timing of final distribution to creditors;	2.0
Mar 20	Review cheques and payments; receipt and review of final draft of Monitor's eleventh report; edit of letter to CRA and internal discussion regarding same;	1.0
Mar 21	Finalize Monitor's eleventh report; finalize letter to CRA other matters;	1.0
Mar 25	Reporting and release of CRA letter.	0.5
TOTAL – T. Martin		10.7 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 5	Call to D. Gumprich and email from Ministry of Labour on employee claim. Letter from H. Masic and response. Meeting with V. Chan on update. Discussion with T. Martin on payments process, [REDACTED], etc.;	2.5
Mar 6	Drafted letter to [REDACTED] and call to D. Gumprich re: CRA and next steps;	1.0
Mar 8	Drafted Monitor's 11 th Report;	1.5
Mar 11	Call to D. Gumprich re: tax losses and insurance claim. Discussion with V. Chan on distribution queries and cash flow forecast update. Discussion with T. Martin on tax losses and work program;	2.5
Mar 12	Discussion with D. Gumprich on tax, cash flow, budget vs actual, etc. Discussion with V. Chan on remaining issues. Review of cash flow forecast and budget vs actual. Drafted Monitor's 11 th Report;	3.25
Mar 13	Discussion with T. Martin on outstanding issues. Email to K. Jackson and V. Tickle on the extension of the stay. Format report format for Monitor's 11 th report;	1.5
Mar 14	Meeting with D. Gumprich on CRA claim, T4s and cash flow forecast. Review of cash flow and drafting of Monitor's 11 th report;	2.0
Mar 15	Preparation of cash flow forecast and email to D. Gumprich;	1.0
Mar 18	Approved payment of invoices/outstanding bills. Discussion with V. Chan on cheque payments and banking. Queries to K. Keilty on Blakes bills and email to V. Tickle re: court date. Prepared draft cash flow and budget vs actual. Reviewed bank reconciliations prepared by V. Chan;	1.25
Mar 19	Discussed CRA claim with T. Martin. Drafted CRA letter and sent copy to Faskens and D. Gumprich for their comments and receipt of comments thereon. Call to M. Roy at CRA. Reviewed CRA proofs of claim. Revised report and held discussion with V. Chan on tables;	3.0
Mar 20	Updated CRA letter for comments from V. Tickle. Reviewed payments with V. Chan and T. Martin. Received comments on Monitor's 11 th report from V. Tickle and updated same. Edited report for comments from T. Martin;	5.0

Sterling Shoes, Inc. - 87138

Mar 21	Call to V. Tickle re: CRA letter. Discussion with T. Martin on CRA claim and changes to the report. Discussed final cash flow forecast with V. Chan and held discussion with D. Gumprich on CRA claim. Finalized report. Call from E. Krivicich at CRA re: 3 claims submitted by CRA. Revised CRA letter based on discussions and discussed same with T. Martin;	4.25
Mar 22	Dealt with queries on the final report. Emails to and from V. Tickle on filing. Finalized CRA letter. Report filed with court;	0.75
Mar 23	Call with D. Gumprich re: report and CRA claim;	0.5
Mar 28	Email to D. Gumprich on CRA response to A&M's letter.	0.5
TOTAL – C. Beveridge		30.5 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 3	Various correspondence with debenture holders including status of file, Computershare and tax matters.	1.0
Mar 16	Attend to file administration; creditor calls and call from former employees.	0.5
Mar 20	Attend to various voicemails from creditors.	0.5
Mar 26	Correspond with creditor regarding Monitor's Eighth Report; former employee request regarding a cheque that had never been deposited.	0.5
TOTAL – T. Powell		2.5 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Mar 5	Internal meeting; discussion and update in preparation of the final distribution; follow-up with computer cheques being issued;	2.0
Mar 8	Update of cashed cheques from interim distribution; responding to creditor inquiries;	1.0
Mar 11	Preparation for the Monitor's 11 th Report; correspondence with Dan Gumprich; responding to creditor and employee T4 inquiries;	2.0
Mar 12	Update of cashed cheques from interim distribution; follow-up for computer cheques being issued; responding to employee and landlord inquiries; preparing insurance claim for the fire loss at Oshawa Centre;	2.5
Mar 15	Prepare cheque payments for expenses; prepare cash flow forecast and bank reconciliations; preparation of the Monitor's 11 th Report;	3.5
Mar 18	Prepare cash flow forecast and bank reconciliations; preparation of the Monitor's 11 th Report; responding to creditor and employee inquiries;	4.0
Mar 19	Prepare cash flow forecast and bank reconciliations; preparation of the Monitor's 11 th Report; inquire into interest rates for the GICs;	4.5
Mar 20	Preparation of the Monitor's 11 th Report; responding to creditor and employee inquiries;	2.0
Mar 21	Follow-up with the insurance claims for the fire loss at Oshawa Centre; updating cash flow information for the Monitor's 11 th Report; follow-up with employee T4 inquiries;	2.0
Mar 22	Update of cashed cheques from interim distribution; responding to creditor and employee inquiries;	1.0
Mar 25	Respond to property tax refund from City of Calgary; follow-up of BC Hydro invoices; follow-up with uncashed employee payroll cheque from February 2012.	2.0
TOTAL – V. Chan		26.5 hrs.





Alvarez & Marsal Canada Inc.
400 Burrard Street
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Fax: +1 604 638 7441

May 29, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

For services rendered for the period from April 1 to April 30, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	4.00	\$595	\$2,380.00
C. Beveridge, Senior Director	36.25	450	16,312.50
T. Powell, Director	2.00	400	800.00
V. Chan, Senior Associate	16.00	325	5,200.00
	58.25		24,692.50
Add: Out of pocket expenses			
Courier fees			58.47
Labels			17.39
Add: GST (5%)			1,238.42
TOTAL INVOICE			\$26,006.78

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #22
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
Apr 8	Internal meeting and discussion regarding settlement and reconciliation with CRA, reporting issues and finalization of CCAA administration;	1.0
Apr 16	Internal meeting and discussion regarding claims by Town Shoes regarding cut off expenses, CRA reconciliation of and D. Gumprich retention;	1.0
Apr 18	Telephone conference with D. Gumprich regarding tax attributes and financial statements; receipt and review Monitor's 12 th report;	1.0
Apr 22	Execute extension to D. Gumprich retention; status update and internal discussion regarding outstanding CCAA administration matters;	0.5
Apr 23	Internal meeting and discussion regarding T-4 summary reconciliation and efforts to resolve with assistance of CRA.	0.5
TOTAL – T. Martin		4.0 hrs.



Sterling Shoes, Inc. - 87138

<u>Callum Beveridge</u>	<u>Description</u>	<u>Hrs.</u>
Apr 8	Correspondence with CRA;	1.50
Apr 10	Call from Bell Canada. Call from Ivanhoe Cambridge re: insurance claim. Draft 12 th report and review of other reports;	4.5
Apr 11	Calls with D. Gumprich and E. Kricivich at CRA;	1.50
Apr 12	Call with K. Jackson of Faskens;	0.25
Apr 15	Review of Town Shoes claim for directors expenses. Drafted 12 th report and discussions with T. Martin. Call to D. Gumprich re: CRA. Reviewed CRA fax and held further discussion with D. Gumprich;	6.50
Apr 16	Reviewed CRA proof of Claim. Call to K. Jackson re: CRA claim. Approved invoices for payment. Call to D. Gumprich re: Town Shoes claim and discussion with T. Martin on same. Meeting with D. Gumprich re: CRA, PWC tax and other matters. Drafted summary of [REDACTED] claim. Call to A. Crabtree on [REDACTED] claim and reviewed past correspondence;	4.00
Apr 17	Drafted [REDACTED] section of the final report and discussed draft with T. Martin;	4.00
Apr 18	Call to D. Gumprich on CRA fax and T4 shortfall. Updated report for T. Martin comments. Sent updated letter to [REDACTED] and made call to K. Jackson;	3.10
Apr 19	Discussion with K. Jackson re: filing tax returns. Call with CRA re: their fax dated April 18. Review of calculation and of GST/HST returns filed. Meeting with V. Chan to update financial sections of the report. Review of cash flow forecast;	4.00
Apr 22	Drafted revised contract for D. Gumprich. Call from D. Gumprich re: PGI. Discussion with V. Chan on report. Email from PGI on their fees;	1.10
Apr 23	Discussion with D. Gumprich re: CRA/PGI. Discussion with T. Martin re: PGI error and how to correct it;	0.75
Apr 24	Email to V. Tickle on fees for report. Discussion with T. Powell on dates. Amended report and call with PGI;	1.55
Apr 26	Discussion with D. Gumprich on payroll error and revised T4s. Review of spreadsheet provided by PGI. Call to CRA on findings;	1.50

Sterling Shoes, Inc. - 87138

Apr 29	Email reply to shareholder of Sterling Shoes Inc. Calls from D. Gumprich on PGI and payroll;	1.25
Apr 30	Call with D. Gumprich on T4s. Call from CRA and A. Crabtree at Blakes re: [REDACTED] claim.	0.75
TOTAL – C. Beveridge		36.25 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Tom Powell</i></u>	<u><i>Description</i></u>	<u>Hrs.</u>
Apr 7	Respond to employee enquiries regarding T4s;	0.25
Apr 11	Respond to voicemails from employees/creditors;	0.25
Apr 16	Sterling T4 matters;	0.50
Apr 24	Enquiries from debenture holders regarding tax matters and refer them to para. 2 of the distribution order.	1.0
TOTAL – T. Powell		2.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
Apr 1	Update of cashed cheques from interim distribution;	0.5
Apr 4	Follow up with several creditors and related inquiries; follow-up for employees' T4 inquiries;	0.5
Apr 5	Follow-up for employees' T4 inquiries; responding to creditor inquiries;	0.5
Apr 9	Prepare cheque payments for disbursements;	0.5
Apr 10	Prepare cheque payments for disbursements;	0.5
Apr 11	Follow-up with the insurance claims for the fire loss at Oshawa Centre; responding to creditor inquiries;	0.5
Apr 15	Follow-up with interim distribution inquiries and employees' T4 inquiries;	1.0
Apr 19	Update of distribution register; internal meeting discussions; prepare cheque payments for disbursements; correspondence with several creditors;	2.5
Apr 22	Responding to creditor inquiries; follow-up on employees' T4s; update of website; preparation of the 12 th Monitor's Report; follow-up on interim distribution and outstanding landlord payments;	4.0
Apr 29	Preparation for final distribution and report; responding to creditor inquiries; follow-up on revised employees' T4s;	4.0
Apr 30	Preparation for final distribution; responding to creditor inquiries.	1.5
TOTAL – V. Chan		16.0 hrs.





Alvarez & Marsal Canada Inc.
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Fax: +1 604 638 7441

June 7, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

For services rendered for the period from May 1 to May 31, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	1.5	\$595	\$892.50
C. Beveridge, Senior Director	12.1	450	5,445.00
T. Powell, Director	2.0	400	800.00
V. Chan, Senior Associate	12.0	325	3,900.00
M. Cheung, EA	0.8	100	80.00
	28.4		11,117.50
Add: Out of pocket expenses			
Website maintenance			67.50
Courier fees			33.77
Add: GST (5%)			560.94
TOTAL INVOICE			<u>\$11,779.71</u>

Mail Instructions:

Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

Wire Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #23
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u>Todd Martin</u>	<u>Description</u>	<u>Hrs.</u>
May 6	Respond to enquiry from SICA as to timing and quantum of final distributions; internal discussion regarding CRA final settlement and related matters;	0.50
May 13	Meeting and discussion with D. Gumprich regarding reconciliation of CRA accounts, financial statements and tax returns and other related matters;	0.50
May 17	Review and approve cheques for professional fees and administrative matters.	0.50
TOTAL – T. Martin		1.50 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 2	Call with D. Gumprich re: CRA claim;	0.25
May 6	Review of CRA materials and insurance claim; discussion with PGI on funds;	0.50
May 7	Discussion on T4 errors identified and reconciliation of amounts paid by Town Shoes and Sterling;	0.75
May 13	Meeting with D. Gumprich; discussion on CRA and call with PGI representatives;	1.50
May 14	Call from D. Gumprich on CRA claim and other matters; emails to PGI and D. Gumprich on how to proceed with CRA; call to N. Toy of CRA to discuss claim; meeting with V. Chan to discuss bank statements needed to verify CRA claim;	1.75
May 15	Emails with PGI and to CRA;	0.50
May 17	Call with D. Gumprich re: CRA withholding taxes; drafted the report; meeting with V. Chan to discuss report requirements. Check on correspondence with [REDACTED]	2.85
May 21	Review latest draft of report; updated section on remaining claim for recent correspondence; discussion with V. Chan on financial information;	1.50
May 27	Discussion with V. Chan on report, D. Gumprich on the CRA claim progress and K. Jackson of Faskens on the report and estimated billings;	1.00
May 29	Discussion with V. Chan on report tables and K. Jackson and D. Gumprich on various matters including timing for court date and outstanding matters to be resolved prior to application.	1.50
TOTAL – C. Beveridge		12.1 hrs.



Sterling Shoes, Inc. - 87138

<u>Tom Powell</u>	<u>Description</u>	<u>Hrs.</u>
May 2	Creditor calls regarding the final distribution;	0.5
May 13	Telephone and email correspondence regarding a lawyer for a former employee regarding a personal injury matter;	0.5
May 14	Calls from two former debenture holders regarding lack of distribution to the debentures and the Distribution Order;	0.5
May 21	Claims assignment enquiry and analysis of late submission of a claims assignment.	0.5
TOTAL – T. Powell		2.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
May 1	Correspondence with creditors and landlords; follow-up with employee T4 matters;	2.00
May 9	Follow-up with interim distribution; review of 2011/2012 of uncashed paycheques;	1.00
May 14	Issuance of replacement cheque to creditor; follow-up with 2011/2012 of uncashed paycheques;	1.50
May 16	Processing replacement cheques for 2011/2012 uncashed paycheques;	1.50
May 21	Follow-up with employee T4 matters; assignment claim transfer inquiry;	0.50
May 27	Correspondence with creditors; preparation for Monitor's 12 th Report and bank reconciliations;	3.00
May 29	Preparation for Monitor's 12 th Report; processing of disbursements; correspondence with creditors; internal update meeting; follow-up with employee T4 matters.	2.50
TOTAL – V. Chan		12.00 hrs.



Sterling Shoes, Inc. - 87138

<u>Monica Cheung</u>	<u>Description</u>	<u>Hrs.</u>
May 16	Prepare mail merge of uncashed payroll cheques;	0.30
May 17	Prepare and mailout uncashed payroll cheques.	0.50
TOTAL – M. Cheung		0.80 hrs.





July 25, 2013

Sterling Shoes, Inc.
c/o Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6

For services rendered for the period from June 1 – 30, 2013 in connection with our appointment as Monitor under the Companies' Creditors Arrangement Act in respect of Sterling Shoes, Inc. and Sterling Shoes GP Inc. (collectively, the "Company") pursuant to the Order of the Supreme Court of British Columbia pronounced October 21, 2011.

<u>A&M Personnel</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
T. Martin, Managing Director	1.00	\$595	\$595.00
P. Boparai, Managing Director	3.00	450	1,350.00
C. Beveridge, Senior Director	17.25	450	7,762.50
T. Powell, Director	1.75	400	700.00
V. Chan, Senior Associate	10.70	325	3,477.50
	33.70		13,885.00
Add: Out of pocket expenses			
Website maintenance			112.50
Courier fees			58.27
Add: GST (5%)			702.79
TOTAL INVOICE			<u>\$14,758.56</u>

Mail Instructions:Alvarez & Marsal Canada ULC
Attn: Monica Cheung
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, B.C. V6C 3A6**Wire Instructions:**Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON M5K 1A2
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: 87138 – Invoice #24
GST: 83486 3367 RT0001

Sterling Shoes, Inc. - 87138

<u><i>Todd Martin</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
June 7	Internal discussion regarding outstanding claims and CRA matters;	0.5
June 10	Sign cheques for suppliers and internal discussion regarding claims settlements;	0.5
TOTAL – T. Martin		1.0 hrs.



Sterling Shoes, Inc. - 87138

<u>Pam Boparai</u>	<u>Description</u>	<u>Hrs.</u>
Jun 23	Draft report review and related matters;	1.0
Jun 24	Draft report review and related matters, including internal discussions with C. Beveridge.	2.0
TOTAL – P. Boparai		3.0 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Callum Beveridge</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
June 3	Sent file over to Faskens; Call from Accord on progress and call with D. Gumprich on CRA;	1.5
June 6	Email to D. Gumprich and call with V. Tickle at Faskens;	0.5
June 7	Call with D. Gumprich re: CRA refund received and penalties and interest assessment; Call to E. Krivicich at CRA;	0.5
June 10	Email from Koffman Kalef re: conflict clearance; Discussion with L. Tucker and email to lawyer for lessee. Email to D. Gumprich on same.	1.0
June 11	Call with V. Tickle from Faskens re: court application and report;	0.5
June 12	Meeting with D. Gumprich;	0.5
June 13	Email to E. Krivicich at CRA;	0.25
June 14	Review emails received and call from creditor as to process;	0.5
June 17	Call with V. Tickle re: Notice of Application on employee claim; Call with Alex Miller from CRA and review of CRA file;	1.0
June 19	Emails on extension of the stay period;	0.5
June 20	Drafted updated Monitor's report;	1.0
June 21	Drafted updated Monitor's report and discussion with V. Tickle, P. Boparai and V. Chan; Updated cash flow forecast and amended report for stay extension; Provided copy to P. Boparai for her review;	2.5
June 24	Call with V. Tickle and K. Jackson at Faskens re: court application; Meeting with P. Boparai on the report; Finalized the report;	4.0
June 25	Call with V. Tickle at Faskens and emails;	0.5
June 26	Internal discussion on report and next steps to finalize distribution;	0.5
June 27	Received email on approval of extension and forwarded emails to various parties;	0.5
June 28	Reviewed final order; Email from D. Gumprich; Discussed next steps on the file re: CRA, Employee claim, HST return and distribution;	1.5



Sterling Shoes, Inc. - 87138

TOTAL – C. Beveridge

17.25 hrs.



Sterling Shoes, Inc. - 87138

<u>Tom Powell</u>	<u>Description</u>	<u>Hrs.</u>
June 5	Respond to enquiries from former employees and brokers with respect to the debentures and various Monitor's Reports;	0.50
June 19	Respond to enquiry from a broker regarding debenture recovery, direct them to appropriate Monitor's report sections regarding same;	0.50
June 20	Employee and creditor enquiries regarding timing of final distribution;	0.50
June 24	Respond to enquiries from a trade creditor and a former employee regarding timing of final distribution.	0.25
TOTAL – T. Powell		1.75 hrs.



Sterling Shoes, Inc. - 87138

<u><i>Vicki Chan</i></u>	<u><i>Description</i></u>	<u><i>Hrs.</i></u>
June 6	Correspondence with landlords, assignors, and employees; update claims register for final distribution; and preparation for Monitor's 12 th Report;	1.0
June 7	Correspondence with debenture holders; employee T4 matters;	1.0
June 10	Correspondence with creditors;	2.0
June 14	Correspondence with creditors;	0.5
June 18	Responding to inquiries regarding the final distribution timing;	0.5
June 19	Responding to inquiries regarding the final distribution timing;	0.5
June 24	Prepare cash forecast for Monitor's 13 th Report; and responding to inquiries regarding the final distribution timing;	4.0
June 25	Update website; follow-up with employee matters;	0.5
June 26	Responding to employee inquiries;	0.5
June 27	Responding to employee inquiries.	0.2
TOTAL – V. Chan		10.7 hrs.

Sterling Shoes Limited Partnership and Sterling Shoes GP Inc.
Summary of Fees and Disbursements of the Monitor's Legal Counsel
For the period September 30, 2011 ending June 30, 2013

All amounts are in Canadian dollars

Invoice Number	Period Ended	Fees	Disbursements	HST/GST/PST	Total
Fasken Martineau DuMoulin LLP:					
603914	10/28/2011	\$ 2,895.50	\$ 122.65	\$ 362.18	\$ 3,380.33
605690	10/21/2011	28,405.50	1,123.54	3,537.97	33,067.01
605931	11/11/2011	8,486.50	438.99	1,068.18	9,993.67
608663	11/18/2011	10,279.00	538.60	1,298.11	12,115.71
609584	11/25/2011	2,744.50	41.10	334.28	3,119.88
610629	2/12/2011	6,578.50	12.90	790.96	7,382.36
612996	9/12/2011	10,757.50	115.90	1,304.81	12,178.21
617492	12/31/2011	2,076.00	6.25	249.88	2,332.13
622992	01/20/2012	3,807.00	30.00	460.44	4,297.44
624501	01/27/2012	5,726.00	0.60	687.19	6,413.79
633212	9/3/2012	3,147.00	38.95	382.32	3,568.27
638582	03/31/2012	9,858.00	182.95	1,204.90	11,245.85
645391	04/30/2012	25,259.50	706.33	3,115.92	29,081.75
654950	05/31/2012	11,125.00	438.44	1,387.64	12,951.08
657943	06/30/2012	9,868.00	100.82	1,196.26	11,165.08
665026	07/31/2012	1,834.00	59.60	227.24	2,120.84
671355	08/31/2012	2,081.00	71.60	258.31	2,410.91
677898	09/30/2012	6,140.50	1.60	737.05	6,879.15
685584	10/31/2012	9,456.00	58.80	1,141.78	10,656.58
694436	11/30/2012	12,019.50	73.24	1,451.12	13,543.86
699939	12/31/2012	9,598.00	33.85	1,155.83	10,787.68
710644	1/31/2013	6,163.50	35.60	743.89	6,942.99
714180	02/28/2013	4,867.50	20.00	586.50	5,474.00
719104	03/26/2013	5,011.00	191.65	614.72	5,817.37
726643	04/30/2013	784.50	7.20	94.51	886.21
735465	5/31/2013	1,894.50	0.40	227.37	2,122.27
743161	6/30/2013	6,944.50	468.23	852.76	8,265.49
<hr/>					
		\$ 207,808.00	\$ 4,919.79	\$ 25,472.12	\$ 238,199.91

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 14, 2011
Matter #: 285937.00003
Invoice #: 605690
HST #: 87937 6127 RT0003

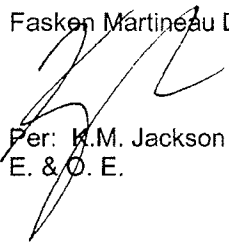
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 10/21/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 28,405.50
Total Disbursements	1,123.54
Total Taxes	<u>3,537.97</u>
Total Amount Owning This Bill	<u>CAD \$ 33,067.01</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

10/12/11	E-mail from and to Mr. Martin regarding background; telephone call to Mr. Martin regarding same; e-mail from Mr. Martin regarding D&O charge and study law regarding same; e-mail to and from and telephone call to Mr. Berrow regarding same; telephone call to Mr. Martin regarding status; e-mail from Mr. Martin regarding timing and judges; e-mail to Mr. Martin and e-mail to and from Mr. Jackson regarding same;	J.F. Grieve	Partner	2.20 hrs.	\$ 675.00/hr	\$ 1,485.00
10/12/11	E-mails from Mr. Grieve with background materials and D&O policy;	R.J. Berrow	Partner	0.40 hrs.	\$ 430.00/hr	\$ 172.00
10/14/11	Review file and telephone call and e-mail to and e-mail from Mr. Berrow regarding D&O issues; telephone call to Mr. Martin regarding status;	J.F. Grieve	Partner	0.40 hrs.	\$ 675.00/hr	\$ 270.00
10/14/11	Review D&O policy, Sterling web site, and statutory provisions; work on memo;	R.J. Berrow	Partner	1.40 hrs.	\$ 430.00/hr	\$ 602.00
10/16/11	E-mail from Ms. Boparai regarding security review and status of forbearance; e-mail from and to Mr. Berrow regarding D&O issues; e-mail from Mr. Martin and Mr. Jackson regarding status; e-mail from Ms. Boparai regarding timing, D&O charge and objections from BMO;	J.F. Grieve	Partner	1.10 hrs.	\$ 675.00/hr	\$ 742.50
10/16/11	Emails exchanged with Mr. Grieve and Mr. Berrow regarding insurance coverage issues; emails exchanged with Ms. Boparai and Mr. Grieve regarding security opinion;	K.M. Jackson	Partner	0.20 hrs.	\$ 405.00/hr	\$ 81.00
10/17/11	Numerous e-mails and calls to and from Mr. Martin regarding status, forbearance, pre-filing report and matters to be addressed including security opinion; telephone call to and from Mr. Rubin regarding same and background; numerous e-mails from Mr. Rubin regarding security and review same; e-mail to Mr. Lewis and Mr. Peerson regarding security opinion; e-mail to and from Mr. Berrow regarding issues arising on D&O opinion; conference with Mr. Berrow regarding same; e-mail from Mr. Rubin regarding draft petition and affidavit; commence review; review file regarding initial order and carve out for BMO; e-mail to Mr. Rubin and Mr. Martin regarding same; telephone call from Ms. Boparai regarding status of forbearance, petition and DIP; conference with Mr. Martin regarding same;	J.F. Grieve	Partner	4.80 hrs.	\$ 675.00/hr	\$ 3,240.00
10/17/11	Telephone from Mr. Berrow regarding directors liability issues under Canada Business Corporation Act and discuss; email from Mr. Berrow regarding case law;	M.J. Peerson	Partner	0.60 hrs.	\$ 505.00/hr	\$ 303.00

Re: Sterling Shoes

10/17/11	E-mail from Mr. Grieve and reply; review statutory provisions and consider similarity between Ontario ESA provisions (referenced in policy); and CBCA provision; conference with Mr. Peerson; research case law regarding severance under CBCA provision; e-mail to Mr. Grieve with draft analysis;	R.J. Berrow	Partner	2.40 hrs.	\$ 430.00/hr	\$ 1,032.00
10/18/11	Obtaining three Business Debtor searches with the Manitoba Personal Property Registry on Sterling Shoes Inc., Sterling Shoes GP Inc. and Sterling Shoes Limited Partnership; contact Agent in Manitoba; sent via email results of the searches to Ms. Hallett;	Denice Vandale-Raybur	Paralegal	0.30 hrs.	\$ 140.00/hr	\$ 42.00
10/18/11	Conducting three electronic corporate searches with Alberta Corporate Registry for Sterling Shoes Inc., Sterling Shoes GP Inc. and Sterling Shoes Limited Partnership; forwarding search results to Ms. Hallett;	Denice Vandale-Raybur	Paralegal	0.60 hrs.	\$ 140.00/hr	\$ 84.00
10/18/11	Conducting three electronic searches under the Personal Property Security Act (Alberta) for Sterling Shoes Inc., Sterling Shoes GP Inc. and Sterling Shoes Limited Partnership; forwarding search results to Ms. Hallett;	Denice Vandale-Raybur	Paralegal	0.60 hrs.	\$ 140.00/hr	\$ 84.00
10/18/11	Telephone call from Ms. Boparai regarding D&O policy and issues; review file and study law regarding same; revise e-mail to Alvarez and e-mail to and from and telephone call to Mr. Berrow regarding same; further e-mail from Mr. Berrow and revise and finalize e-mail; telephone call from and to Ms. Boparai regarding Alberta, Saskatchewan and Manitoba; e-mail to and from Mr. Berrow regarding same; e-mail to and from and conference with Mr. Peerson regarding security review; review file regarding same; e-mail from and to Ms. Boparai and e-mail from and to and telephone call to Mr. Rubin regarding court materials; review file regarding same; revise and e-mail to Mr. Martin and Ms. Boparai regarding petition, supporting affidavits and amendments for Alvarez; e-mail from Mr. Martin regarding general update and e-mail to Mr. Martin regarding security opinion, D&O, court material and forbearance; e-mail from Mr. Peerson regarding summary of security;	J.F. Grieve	Partner	4.70 hrs.	\$ 675.00/hr	\$ 3,172.50
10/18/11	Telephone conversation with Ms. Boparai regarding status of matter and timing for filing as well as various issues relating to same; telephone conversation with Mr. Rubin regarding draft initial order and carve-out of bank from stay of proceedings;	K.M. Jackson	Partner	0.30 hrs.	\$ 405.00/hr	\$ 121.50
10/18/11	Review security documents, review available searches, review draft petition and draft supporting affidavit, initial draft of memorandum to file with summary and commentary, email to Mr. Rubin regarding apparently missing documents, update to Mr. Grieve, review BC and other available corporate and PPR searches,					

Re: Sterling Shoes

	revisions to summary;				
	M.J. Peerson	Partner	4.00 hrs.	\$ 505.00/hr	\$ 2,020.00
10/18/11	E-mail from Mr. Grieve with comments; consider and reply; e-mail from Mr. Grieve; further revise and send; e-mail from Mr. Grieve regarding effects of Alberta, Saskatchewan, and Manitoba ESA provisions; review;				
	R.J. Berrow	Partner	1.20 hrs.	\$ 430.00/hr	\$ 516.00
10/19/11	Conducting three electronic corporate searches with Manitoba Corporate Registry for Sterling Shoes Inc., Sterling Shoes GP Inc. and Sterling Shoes Limited Partnership; contact Agent in Manitoba; forwarding search results to Ms. Hallett;				
	Denice Vandale-Raybur	Paralegal	0.30 hrs.	\$ 140.00/hr	\$ 42.00
10/19/11	Numerous e-mails and calls to and from Mr. Martin and Ms. Boparai regarding forbearance agreement, D&O issues, security issues and Monitor's report; e-mail to and from Mr. Jackson regarding court material; e-mail from Mr. Jackson regarding forbearance; revise forbearance agreement; e-mail to Mr. Martin and Ms. Boparai regarding Fasken's comments; telephone call and e-mail from Mr. Martin regarding same; e-mail from Mr. Martin regarding conference call; attend conference call with company, Millie Chow, Peter Rubin and Alvarez regarding forbearance and monitor's concerns; e-mail from and to and telephone call from Mr. Rubin regarding same; conference with and e-mail from Mr. Peerson regarding security opinion; attend meeting with Mr. Martin regarding status and issues going forward; conference with and e-mail to Mr. Jackson regarding initial order; telephone call from Mr. Martin regarding attendance at hearing for initial order; e-mail from Mr. Conway regarding further BMO security and e-mail to and from Mr. Peerson regarding same; e-mail from Ms. Cohen regarding status;				
	J.F. Grieve	Partner	4.40 hrs.	\$ 675.00/hr	\$ 2,970.00
10/19/11	Review draft initial order and petition; email comments regarding same to Mr. Martin, Ms. Boparai and Mr. Grieve; review draft forbearance agreement and email comments regarding same to Mr. Grieve; review emails from Ms. Boparai, Mr. Martin and Mr. Rubin regarding foregoing documents in preparation for filing of petition;				
	K.M. Jackson	Partner	2.50 hrs.	\$ 405.00/hr	\$ 1,012.50
10/19/11	Telephone from (voicemail) Mr. Rubin regarding Sterling security, instructions to assistant regarding documentation; receive and review additional corporate and PPR searches, email to Mr. Rubin to confirm advice and receive reply regarding Sterling Shoes information, revisions to summary regarding Bank security;				
	M.J. Peerson	Partner	1.20 hrs.	\$ 505.00/hr	\$ 606.00
10/19/11	Email from Mr. Grieve with additional Bank of Montreal documents, brief check of documents, instructions to assistant regarding document organisation and missing searches;				
	M.J. Peerson	Partner	0.60 hrs.	\$ 505.00/hr	\$ 303.00

Re: Sterling Shoes

10/19/11	Review additional documents, revise memorandum, prepare email comments to Mr. Grieve; M.J. Peerson	Partner	1.20 hrs.	\$ 505.00/hr	\$ 606.00
10/20/11	E-mail and telephone call from Mr. Rubin regarding revised forbearance and review same; e-mail to Mr. Martin regarding same; e-mail from Mr. Cohen regarding same and revisions; telephone call to Mr. Martin and Mr. Rubin regarding BMO's requirements; e-mail from Mr. Martin; review file and e-mail to and conference with Mr. Jackson regarding monitor's report; review and suggest revisions; e-mail to and from Mr. Martin regarding response to Mr. Cohen and send same; e-mail to and from Mr. Berrow regarding director's liability issues; numerous e-mails from and to Mr. Rubin and Mr. Jackson regarding initial order; further revise monitor's report; e-mail to and from Mr. Jackson regarding same; review file and e-mail to and from Mr. Peerson regarding security opinion and review same; e-mail to Mr. Martin and Ms. Boparai regarding same; e-mail from and to Mr. Martin regarding filing report and judge selection; e-mail to Mr. Rubin regarding same; J.F. Grieve	Partner	4.40 hrs.	\$ 675.00/hr	\$ 2,970.00
10/20/11	Review draft monitor's report and draft amendments to same; email same to Mr. Martin and Ms. Boparai with comments; conference with Mr. Grieve regarding same; review draft initial order circulated by Mr. Rubin; emails exchanged with and telephone conversations with Mr. Rubin and Mr. Martin regarding same; K.M. Jackson	Partner	1.80 hrs.	\$ 405.00/hr	\$ 729.00
10/20/11	Receive final search, finalise summary of bank documentation and searches and email to Mr. Grieve with comments; M.J. Peerson	Partner	0.60 hrs.	\$ 505.00/hr	\$ 303.00
10/20/11	Research contents of ESA provisions and consider prospects for severance liability; R.J. Berrow	Partner	2.30 hrs.	\$ 430.00/hr	\$ 989.00
10/21/11	Telephone call to and from Mr. Martin regarding final report; numerous e-mails regarding last minute changes and interest rates; e-mail from Mr. Rubin regarding material and organize and review same; prepare submissions and attend Chambers regarding initial order; conference with Mr. Verbrugge regarding same; e-mail from Mr. Berrow regarding D&O; e-mail from Mr. Rubin regarding entered order and conference with Mr. Jackson regarding next steps; J.F. Grieve	Partner	3.90 hrs.	\$ 675.00/hr	\$ 2,632.50
10/21/11	Review final drafts of materials to be filed in support of application for initial order; emails exchanged with Mr. Martin, Ms. Boparai and others regarding same; K.M. Jackson	Partner	0.60 hrs.	\$ 405.00/hr	\$ 243.00
10/21/11	Conclude research and e-mail to Mr. Grieve; R.J. Berrow	Partner	2.40 hrs.	\$ 430.00/hr	\$ 1,032.00

Re: Sterling Shoes

Our Fees		\$ 28,405.50
HST		3,408.66
Total Taxes on Fees		<u>\$ 3,408.66</u>
Total Fees Including Taxes		<u><u>\$ 31,814.16</u></u>
Disbursements		
<u>Non-Taxable</u>		
10/18/11	Registration/Court Fees /DYE DURHAM/5536996/MISCELLANEOU S	8.00
10/19/11	Registration/Court Fees /DYE DURHAM/5537162/MANITOBA SALES	24.00
10/19/11	BC Online Searches/Queries/ BSH105 X2/ 18OCT/ HALLETT	14.00
<u>Taxable</u>		
10/18/11	Document Scan /CAL - 34th - 2c1f2s Terminal/2/2	0.50
10/18/11	Document Scan /CAL - 34th - 2c1f2s Terminal/2/2	0.50
10/18/11	Document Scan /CAL - 34th - 2c1f2s Terminal/1/1	0.25
10/18/11	Laser copy	0.25
10/18/11	Laser copy	80.10
10/18/11	Laser copy	21.60
10/18/11	Laser copy	3.00
10/18/11	Laser copy	0.30
10/18/11	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5536996/MISCELLANEOU S	34.84
10/19/11	Laser copy	94.20
10/19/11	Laser copy	1.80
10/19/11	BC Online Searches/Queries/ SRVCHRG X2/ 18OCT/ HALLETT	3.00
10/19/11	Laser copy	3.90
10/19/11	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5537162/MANITOBA SALES	440.70
10/19/11	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5537331/QUEBEC	210.30
10/20/11	Laser copy	2.70
10/20/11	Laser copy	1.80

Re: Sterling Shoes

10/20/11	Lasercopy	1.50
10/20/11	BC Online Searches/Queries/ SRVCHRG/ QTSRCH/ 19OCT/ HALLETT	8.90
10/20/11	Lasercopy	3.60
10/21/11	Lasercopy	3.90
10/21/11	Lasercopy	85.50
10/21/11	Lasercopy	74.40
Total Disbursements		1,123.54
HST		129.31
Total Taxes on Disbursements		\$ 129.31
Total Disbursements Including Taxes		\$ 1,252.85
Total Fees, Disbursements and Taxes		CAD \$ 33,067.01

Tax Summary

HST	3,537.97
Total Taxes Included in This Bill	3,537.97

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 14, 2011
Matter #: 285937.00003
Invoice #: 605690
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 10/21/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 28,405.50
Total Disbursements	1,123.54
Total Taxes	3,537.97
Total Amount Owning This Bill	<u>CAD \$ 33,067.01</u>

Tax Summary

HST	3,537.97
Total Taxes Included in This Bill	<u>3,537.97</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 - 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 1, 2011
Matter #: 285937.00003
Invoice #: 603914
HST #: 87937 6127 RT0003

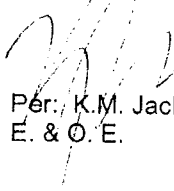
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 10/28/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 2,895.50
Total Disbursements	122.65
Total Taxes	362.18
Total Amount Owing This Bill	<u>CAD \$ 3,380.33</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

10/23/11	E-mail from Mr. Berrow regarding wage liability and directors; J.F. Grieve Partner	0.20 hrs.	\$ 675.00/hr	\$ 135.00
10/24/11	Review and draft amendments to notices to be delivered to creditors; email clean and comparison versions of same to Ms. Boparai and Mr. Rubin; K.M. Jackson Partner	0.60 hrs.	\$ 405.00/hr	\$ 243.00
10/25/11	E-mail to and from Mr. Martin regarding landlords; J.F. Grieve Partner	0.20 hrs.	\$ 675.00/hr	\$ 135.00
10/25/11	Telephone conversation with Ms. Boparai regarding issues pertaining to termination of outstanding purchase orders; review email from Mr. Martin forwarding communications from Mr. Gumprich regarding involvement of unsecured creditors in restructuring process; K.M. Jackson Partner	0.40 hrs.	\$ 405.00/hr	\$ 162.00
10/26/11	Email from Ms. Boparai attaching information pertaining to termination of purchase order; teleconference with Ms. Boparai and Mr. Rubin regarding same and regarding landlord issues; telephone conversation with Mr. Milman regarding lease issues and restructuring generally; K.M. Jackson Partner	0.40 hrs.	\$ 405.00/hr	\$ 162.00
10/27/11	Email from Ms. Boparai identifying issues with respect to payment of pre-filing indebtedness to warehousemen and freight forwarders; telephone conversation with Ms. Boparai regarding same; email from Ms. Boparai identifying numerous issues for discussion; teleconference with Mr. Rubin and Ms. Boparai to discuss same; K.M. Jackson Partner	1.50 hrs.	\$ 405.00/hr	\$ 607.50
10/28/11	Telephone call and e-mail from Mr. Bish regarding Cadillac Fairview and concerns; conference with Mr. Jackson and e-mail to Mr. Bish and e-mail from Mr. Rubin regarding status; J.F. Grieve Partner	0.60 hrs.	\$ 675.00/hr	\$ 405.00
10/28/11	Review emails from Ms. Boparai summarizing issues for teleconference; prepare for and attend on teleconference with client, Mr. Rubin and representatives of Sterling to discuss various issues relating to filing, as well as landlord matters; emails exchanged with Mr. Grieve, Mr. Martin and Ms. Boparai regarding landlord issues and communication by Mr. Bish on behalf of Cadillac Fairview; K.M. Jackson Partner	1.70 hrs.	\$ 405.00/hr	\$ 688.50
10/28/11	Research regarding Repair and Storage Lien Act (Ontario); discussion with Mr. Jackson regarding same; Vicki Tickle Associate	1.10 hrs.	\$ 325.00/hr	\$ 357.50

Re: Sterling Shoes

Our Fees

HST

\$ 2,895.50

347.46

Total Taxes on Fees

\$ 347.46

Total Fees Including Taxes

\$ 3,242.96

Disbursements

Taxable

10/24/11	Photocopies /VAN - 1c1s 26th Floor Xerox 5775 A/4/4	1.20
10/24/11	Laser copy	42.90
10/25/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/204/204	51.00
10/25/11	Document Scan	4.50
10/25/11	Document Scan	3.25
10/25/11	Laser copy	1.80
10/28/11	Laser copy	6.60
10/28/11	Laser copy	11.40

Total Disbursements

122.65

HST

14.72

Total Taxes on Disbursements

\$ 14.72

Total Disbursements Including Taxes

\$ 137.37

Total Fees, Disbursements and Taxes

CAD \$ 3,380.33

Tax Summary

HST

362.18

Total Taxes Included in This Bill

362.18

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 1, 2011
Matter #: 285937.00003
Invoice #: 603914
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 10/28/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 2,895.50
Total Disbursements	122.65
Total Taxes	362.18
Total Amount Owing This Bill	<u>CAD \$ 3,380.33</u>

Tax Summary

HST	362.18
Total Taxes Included in This Bill	<u>362.18</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 15, 2011
Matter #: 285937.00003
Invoice #: 605931
HST #: 87937 6127 RT0003

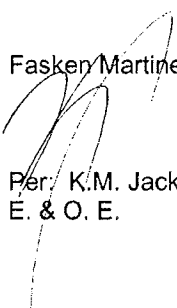
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 11/11/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 8,486.50
Total Disbursements	438.99
Total Taxes	<u>1,068.18</u>
Total Fees, Disbursements and Taxes:	\$ 9,993.67
Less: Transfer from Trust account:	(1,923.04)
Total Amount Owing this Bill:	<u>CAD \$8,070.63</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

10/27/11	Discussion with Mr. Jackson regarding warehouse liens; reviewing Repair and Storage Liens Act (Ontario); Vicki Tickle Associate	0.30 hrs.	\$ 325.00/hr	\$ 97.50
10/31/11	Conference with Mr. Jackson regarding status and leases; review file regarding accounting; J.F. Grieve Partner	0.30 hrs.	\$ 675.00/hr	\$ 202.50
10/31/11	Emails exchanged with Mr. Martin and Ms. Boparai regarding possibility of selling lease portfolio; telephone conversation with Mr. Gruber regarding same; emails exchanged with Mr. Brotman regarding same; K.M. Jackson Partner	0.30 hrs.	\$ 405.00/hr	\$ 121.50
11/01/11	Emails from Ms. Boparai regarding payments of pre-filing amounts to shippers and freight forwarders; telephone conversations with Ms. Boparai and persons at Sterling regarding same; instructions to Ms. Tickle regarding research with respect to same; emails exchanged with Ms. Boparai and Mr. Rubin regarding treatment of SICA; K.M. Jackson Partner	1.00 hrs.	\$ 405.00/hr	\$ 405.00
11/01/11	Discussions with Mr. Jackson regarding payments to suppliers, etc.; e-mails from Ms. Boparai regarding same; reviewing supplier agreements regarding ability to force continued supply of services, lien claims, etc.; Vicki Tickle Associate	0.60 hrs.	\$ 325.00/hr	\$ 195.00
11/02/11	Conference with Mr. Jackson regarding status; e-mail from Urquhart regarding response; J.F. Grieve Partner	0.20 hrs.	\$ 675.00/hr	\$ 135.00
11/02/11	Conferences with Ms. Tickle regarding review of service agreements and issues pertaining to same; review emails exchanged between Ms. Tickle and Ms. Boparai regarding same; review emails from Ms. Boparai authorizing payments of pre-filing obligations to various service suppliers; K.M. Jackson Partner	0.50 hrs.	\$ 405.00/hr	\$ 202.50
11/02/11	Telephone call with Ms. Boparai regarding payments by company; reviewing supplier agreements and considering ability to force continued supply of services; discussion with Mr. Jackson and e-mail to Ms. Boparai regarding same; voice message from Ms. Boparai regarding Carson contract; e-mails from Ms. Boparai and Mr. Gumpich regarding information required for Monitor's decision with respect to payment of pre-filing claims; Vicki Tickle Associate	2.10 hrs.	\$ 325.00/hr	\$ 682.50
11/03/11	Prepare for and attend on teleconference with Ms. Boparai regarding SICA requests; emails exchanged with Mr. Martin and Ms. Boparai regarding same;			

Re: Sterling Shoes

	review emails from Ms. Boparai to various persons with respect to post-filing operations generally;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 405.00/hr	\$ 202.50
11/04/11	Prepare for and attend on conference call with monitor, company and counsel for company for update with respect to various issues; draft letter to representative of SICA regarding request for formation of committee and disclosure of information; circulate same to Mr. Martin and Ms. Boparai for review and comments; draft amendments to same and circulate same to Mr. Rubin for comments; draft final amendments to same;				
	K.M. Jackson	Partner	1.80 hrs.	\$ 405.00/hr	\$ 729.00
11/07/11	Review email from Mr. Martin with respect to general partnership and limited partnership issues; brief research regarding same; telephone conversation with Mr. Martin regarding same; instructions to and conference with Ms. Tickle regarding same;				
	K.M. Jackson	Partner	0.60 hrs.	\$ 405.00/hr	\$ 243.00
11/07/11	Research regarding liabilities and assets of limited partnership and general partner; reviewing petition and supporting affidavit regarding same; discussions and e-mails with Mr. Jackson regarding same;				
	Vicki Tickle	Associate	4.30 hrs.	\$ 325.00/hr	\$ 1,397.50
11/08/11	Attend on teleconference with Ms. Tickle and Mr. Martin to discuss partnership liability issues; attend on teleconference with Ms. Tickle, Mr. Martin and Mr. Rubin to discuss request to liquidators for proposals and matters relating to same and upcoming come-back hearing;				
	K.M. Jackson	Partner	1.30 hrs.	\$ 405.00/hr	\$ 526.50
11/08/11	Conference calls with Mr. Martin and Mr. Rubin (with Mr. Jackson) regarding assets and liability of GP and Limited Partnership, liquidation process, extension of stay, etc.; e-mails with Mr. Jackson regarding draft sales guidelines; reviewing and revising same; e-mail to Mr. Martin forwarding mark up showing suggested changes to draft sales guidelines and regarding possible involvement of Monitor in dispute mediation; e-mails with Mr. Jackson regarding confidentiality agreement with respect to lease assignments; reviewing and revising same and e-mail to Ms. Boparai forwarding mark up showing suggested changes; voice message from and telephone call and e-mails with Ms. Boparai regarding donation of defective product; e-mail from Mr. Martin regarding confidentiality agreement with respect to liquidation process/agency agreement; reviewing and revising same and e-mail to Mr. Martin forwarding mark up showing suggested changes; e-mail from Mr. Martin attaching pro forma agency agreement;				
	Vicki Tickle	Associate	5.90 hrs.	\$ 325.00/hr	\$ 1,917.50
11/09/11	Numerous emails exchanged with Mr. Martin, Mr. Rubin, Ms. Boparai and Ms. Tickle regarding liquidation process and agreements with liquidators and landlords; review and provide comments with respect to various agreement and notices concerning same;				

Re: Sterling Shoes

	K.M. Jackson	Partner	0.80 hrs.	\$ 405.00/hr	\$ 324.00
11/09/11	Emails from Mr. Jackson regarding confidentiality agreement, etc., with respect to lease assignments; email from Mr. Rubin regarding comments on draft confidentiality agreement with respect to liquidation process/agency agreement; email from Mr. Martin regarding draft sales guidelines; revising same and email to Mr. Rubin forwarding same for his review; email from Ms. Shum regarding donation of defective boots and accounting with respect to same;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 325.00/hr	\$ 162.50
11/10/11	Emails from Mr. Jackson and Ms Boparai regarding weekly status call; emails from Ms. Boparai and Ms. Shum regarding donation of defective goods; emails with Mr. Martin regarding analysis of supplier contracts; emails from Ms. Boparai regarding lease assignment non-disclosure agreement and covering letter; conference call with Ms. Boparai, Mr. Martin, Mr. Rubin, et al; email from Ms. Boparai forwarding liquidation timeline;				
	Vicki Tickle	Associate	2.90 hrs.	\$ 325.00/hr	\$ 942.50

Re: Sterling Shoes

Our Fees

HST

\$ 8,486.50

1,018.38

Total Taxes on Fees

\$ 1,018.38

Total Fees Including Taxes

\$ 9,504.88

Disbursements

Non-Taxable

10/19/11	BC Online Searches/Queries/ WRREG1A/ 18OCT/ CHO	17.00
10/19/11	BC Online Searches/Queries/ 285739.3 IS NOT FOUND/ BPR510/ 18OCT/ HALLETT	7.00

Taxable

10/17/11	PPSA Search - Paid To: MINISTER OF FINANCE - Sterling Shoes Inc.	3.00
10/17/11	PPSA Search - Paid To: MINISTER OF FINANCE - Sterling Shoes GP Inc.	3.00
10/18/11	PPSA Search - Paid To: MINISTER OF FINANCE - Sterling Shoes Limited Partnership	3.00
10/18/11	Corporate Search - Paid To: MINISTER OF FINANCE - Sterling Shoes Limited Partnership	3.00
10/18/11	Corporate Search - Paid To: MINISTER OF FINANCE - Sterling Shoes GP Inc.	3.00
10/18/11	Corporate Search - Paid To: MINISTER OF FINANCE - SSI Investments Inc.	3.00
10/19/11	BC Online Searches/Queries/ SRVCHRG/ 18OCT/ CHO	1.50
10/19/11	BC Online Searches/Queries/ 285739.3 IS NOT FOUND/ SRVCHRG/ 18OCT/ HALLETT	1.50
10/28/11	Quicklaw Searches LEXIS LEGAL SERVICES/SINGLE DOCUMENT RETRIEVAL	3.52
10/28/11	Quicklaw Searches QUICKLAW SERVICE/SEARCHES	87.96
10/28/11	Quicklaw Searches QUICKLAW SERVICE/SINGLE DOCUMENT RETRIEVAL	11.73
10/31/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/13/13	3.25
10/31/11	Lasercopy	0.30

Re: Sterling Shoes

11/02/11	Lasercopy	0.60
11/02/11	Lasercopy	26.70
11/04/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.50
11/04/11	Lasercopy	0.60
11/07/11	Lasercopy	20.70
11/07/11	Quicklaw Searches LEXIS LEGAL SERVICES/SINGLE DOCUMENT RETRIEVAL	26.00
11/07/11	Quicklaw Searches QUICKLAW SERVICE/SEARCHES	177.43
11/08/11	Lasercopy	4.20
11/08/11	Lasercopy	17.40
11/09/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/1/1	0.25
11/09/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/28/28	7.00
11/09/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/15/15	3.75
11/09/11	Lasercopy	0.30
11/10/11	Lasercopy	1.80
Total Disbursements		438.99
HST		49.80
Total Taxes on Disbursements		\$ 49.80
Total Disbursements Including Taxes		\$ 488.79
Total Fees, Disbursements and Taxes		CAD \$ 9,993.67

Tax Summary

HST	1,068.18
Total Taxes Included in This Bill	1,068.18

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 15, 2011
Matter #: 285937.00003
Invoice #: 605931
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 11/11/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 8,486.50
Total Disbursements	438.99
Total Taxes	1,068.18
Total Fees, Disbursements and Taxes:	\$ 9,993.67
Less: Transfer from Trust account:	(1,923.04)
Total Amount Owing this Bill:	<u>CAD \$8,070.63</u>

Tax Summary

HST	1,068.18
Total Taxes Included in This Bill	<u>1,068.18</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 24, 2011
Matter #: 285937.00003
Invoice #: 608663
HST #: 87937 6127 RT0003

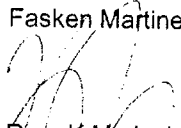
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 11/18/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 10,279.00
Total Disbursements	538.60
Total Taxes	1,298.11
Total Amount Owing This Bill	<u>CAD \$ 12,115.71</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

11/13/11	Review letter from Gowlings and statement of claim in respect of trademark infringement case; emails exchanged with Mr. Martin regarding same; review amended draft non-disclosure agreement circulated by Mr. Crabtree and others regarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 405.00/hr	\$ 121.50
11/13/11	Reviewing and revising draft excerpt of Monitor's Report regarding payment of pre-filing claims; e-mail to Mr. Martin regarding same; e-mail from Mr. Jackson regarding revised draft liquidation NDA; reviewing same and e-mail to Mr. Crabtree providing comments;	Vicki Tickle	Associate	1.40 hrs.	\$ 325.00/hr	\$ 455.00
11/14/11	Numerous e-mails regarding extension application and timing; e-mail to Mr. Jackson regarding same;	J.F. Grieve	Partner	0.30 hrs.	\$ 675.00/hr	\$ 202.50
11/14/11	Review various documents prepared by counsel for petitioners, including affidavit of Mr. Gumprich and amended non-disclosure agreement; provide comments on same to Ms. Tickle and conference with Ms. Tickle regarding same generally; review draft excerpt from monitor's report and provide comments on same to Mr. Martin and Ms. Tickle; emails exchanged with and telephone conversations with Mr. Rubin regarding issues with respect to landlords and store closures; telephone conversation with Ms. Boparai regarding issues with respect to payment of pre-filing obligations to suppliers and transporters; review numerous emails exchanged among various persons relating to agency agreement and review comments with respect to same provided by Ms. Chow and Mr. Martin;	K.M. Jackson	Partner	2.30 hrs.	\$ 405.00/hr	\$ 931.50
11/14/11	E-mail from Mr. Jackson regarding excerpt from draft monitor's report with respect to payment of pre-filing claims; e-mails from Mr. Jackson regarding hearing on November 18; e-mails and discussions with Mr. Jackson regarding draft affidavit of Mr. Gumprich; reviewing same; e-mails from Mr. Jackson regarding draft agency agreement and sale guidelines; e-mail from Mr. Martin regarding draft affidavit of Mr. Gumprich and draft monitor's report; e-mails with Mr. Martin and Ms. Chow regarding draft agency agreement; conference call regarding agency agreement, sale guidelines, request for proposals, etc.; e-mails with Ms. Boparai regarding Argus agreement and reviewing same; reviewing draft agency agreement and e-mail to Mr. Jackson regarding comments on same;	Vicki Tickle	Associate	7.10 hrs.	\$ 325.00/hr	\$ 2,307.50
11/15/11	E-mail to Mr. Jackson regarding Friday's hearing and issues; e-mail from Mr. Rubin regarding report and review same;	J.F. Grieve	Partner	0.20 hrs.	\$ 675.00/hr	\$ 135.00
11/15/11	Review and draft amendments to monitor's first report; email same and comparison					

Re: Sterling Shoes

version to Mr. Martin and Ms. Boparai for review and comments; telephone conversation with Mr. Martin regarding issues with respect to payment of deposits and cash on delivery payment terms; review emails exchanged among Ms. Chow, Ms. Tickle and others regarding RFP and agency agreements; review draft letter to counsel for Adidas prepared by Mr. Rubin; draft amendments to same and email to Mr. Rubin regarding same; emails exchanged with Mr. Martin and others regarding affidavit to be sworn by Mr. Gumprich and issues relating to store closures;

K.M. Jackson	Partner	2.40 hrs.	\$ 405.00/hr	\$ 972.00
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11/15/11 E-mails with Mr. Jackson regarding draft agency agreement; e-mails from Mr. Jackson and Mr. Rubin regarding draft order; emails with Ms. Chow and from Ms. Boparai regarding draft agency agreement; reviewing revised draft of Mr. Gumprich's affidavit and Mr. Jackson's comments on same; e-mail to Mr. Rubin providing comments on Mr. Gumprich's affidavit; e-mail from Mr. Martin attaching draft monitor's report and reviewing same; email to Mr. Jackson forwarding mark-up of draft monitor's report; e-mails from Ms. Boparai, Mr. Martin and Mr. Alves regarding timing of delivery of draft agency agreement to possible liquidators; telephone call with and e-mail from Ms. Boparai regarding Argus pre-filing claim; telephone call with Mr. Rubin and discussion with Mr. Jackson regarding same; reviewing case law regarding storage liens; e-mails from Ms. Chow and Mr. Martin regarding draft RFP; email from Mr. Rubin attaching company's application materials; e-mail from Mr. Jackson regarding comments on draft monitor's report; reviewing draft RFP and e-mail to Ms. Chow providing comments on same; email from Mr. Martin attaching draft monitor's report for review by company; e-mail from Ms. Chow responding to queries regarding draft RFP;

Vicki Tickle	Associate	6.70 hrs.	\$ 325.00/hr	\$ 2,177.50
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11/16/11 Telephone conversation with Mr. Rubin regarding payment of deposits and other issues relating to payments of pre-filing obligations; conference with Mr. Martin regarding same; emails exchanged with Ms. Tickle, Mr. Rubin and Mr. Martin regarding warehouse lien claims and payment of pre-filing obligations; attend to service of monitor's first report; review emails exchanged among counsel regarding agency agreement and request for proposal;

K.M. Jackson	Partner	0.90 hrs.	\$ 405.00/hr	\$ 364.50
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11/16/11 E-mails from Mr. Rubin and with Mr. Jackson and Mr. Martin regarding Argus pre-filing claim; e-mails from Ms. Boparai and Mr. Alves regarding Remco and Vitran pre-filing claims; e-mails with Ms. Chow regarding comments on draft Agency Agreement; discussion with Mr. Jackson and e-mails with Mr. Jackson and Mr. Martin regarding hearing of company's application;

Vicki Tickle	Associate	1.00 hrs.	\$ 325.00/hr	\$ 325.00
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11/17/11 Review email from Mr. Rubin attaching amended confidentiality agreement from Gordon Brothers; emails exchanged with Mr. Rubin and others regarding amendments to same; review emails from Ms. Chow and others regarding request for proposals;

K.M. Jackson	Partner	0.40 hrs.	\$ 405.00/hr	\$ 162.00
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11/17/11 Reviewing application materials; telephone call with Mr. Martin regarding points for

Re: Sterling Shoes

	hearing and discussion with Mr. Jackson regarding same; reviewing Richter and Gowlings comments on draft agency agreement and RFP and e-mails from Ms Chow, Mr. Martin and Mr. Alves regarding same;				
	Vicki Tickle	Associate	2.10 hrs.	\$ 325.00/hr	\$ 682.50
11/18/11	Conference with Ms. Tickle regarding hearing; e-mail from Mr. Rubin regarding order;				
	J.F. Grieve	Partner	0.20 hrs.	\$ 675.00/hr	\$ 135.00
11/18/11	Conference with Ms. Tickle in advance of application for extension order; review draft timeline circulated by Mr. Martin with respect to liquidation and Capital West process; review emails exchanged among Ms. Chow, Mr. Martin and Mr. Alves regarding draft RFP; emails exchanged with Mr. Martin and Ms. Tickle regarding same and request for copying LOIs to monitor;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 405.00/hr	\$ 202.50
11/18/11	Discussions with Mr. Jackson regarding hearing; letter from Mr. Rubin regarding Adidas request to lift stay; appearing before Mr. Justice Davies on hearing for extension of stay and amendment of Initial Order; e-mails from Ms. Chow and Mr. Alves regarding revised draft RFP and reviewing same; e-mails from Ms. Chow and Mr. Alves regarding draft Agency Agreement;				
	Vicki Tickle	Associate	3.40 hrs.	\$ 325.00/hr	\$ 1,105.00

Re: Sterling Shoes

Our Fees	\$ 10,279.00
HST	1,233.48
Total Taxes on Fees	\$ 1,233.48
Total Fees Including Taxes	\$ 11,512.48

Disbursements

<u>Taxable</u>		
10/18/11	Search Fees - Paid To: Dye & Durham Company Inc. - Sterling Shoes	39.00
10/19/11	Corporate Search - Paid To: Dye & Durham Company Inc. - Manitoba Corp. Search - Sterling Shoes Inc.	143.70
11/14/11	Lasercopy	4.50
11/15/11	Lasercopy	2.40
11/15/11	Lasercopy	25.20
11/15/11	Quicklaw Searches QUICKLAW SERVICE/SEARCHES	264.50
11/15/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.50
11/15/11	Lasercopy	3.00
11/17/11	Lasercopy	6.90
11/17/11	Lasercopy	46.50
11/18/11	Lasercopy	2.40

Total Disbursements	538.60
HST	64.63
Total Taxes on Disbursements	\$ 64.63
Total Disbursements Including Taxes	\$ 603.23

Total Fees, Disbursements and Taxes **CAD \$ 12,115.71**

Tax Summary

HST	1,298.11
Total Taxes Included in This Bill	1,298.11

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 29, 2011
Matter #: 285937.00003
Invoice #: 609584
HST #: 87937 6127 RT0003

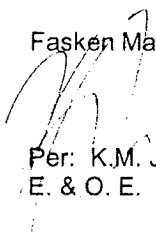
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 11/25/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 2,744.50
Total Disbursements	41.10
Total Taxes	334.28
Total Amount Owing This Bill	<u>CAD \$ 3,119.88</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

11/19/11	Review emails exchanged among Ms. Chow, Mr. Alves and Ms. Boparai regarding RFP and draft agency agreement; K.M. Jackson Partner	0.20 hrs.	\$ 405.00/hr	\$ 81.00
11/20/11	Review emails from Ms. Chow, Mr. Alves and others regarding Agency Agreement; emails exchanged with Mr. Martin, Mr. Rubin and others regarding timing for Capital West process; K.M. Jackson Partner	0.30 hrs.	\$ 405.00/hr	\$ 121.50
11/20/11	E-mail from Ms. Boparai attaching draft operational restructuring plan documents and reviewing same; e-mails from Ms. Chow, Mr. Martin, Mr. Alves and Mr. Gumprich regarding Richter's comments on draft agency agreement; discussion with Mr. Jackson regarding same; Vicki Tickle Associate	1.70 hrs.	\$ 325.00/hr	\$ 552.50
11/21/11	Review emails from Ms. Chow, Mr. Alves and others regarding request for proposals and instructions to monitor's counsel to hold LOI's; conference with Ms. Tickle regarding same; K.M. Jackson Partner	0.20 hrs.	\$ 405.00/hr	\$ 81.00
11/21/11	E-mails from Mr. Benchaya regarding deadline for responses to RFP; e-mail from Mr. Rubin regarding matters to be completed ahead of next hearing; e-mail from Ms. Chow forwarding further revised draft agency agreement and reviewing same; e-mails with Ms. Chow regarding comments on further revised draft agency agreement; e-mails from Mr. Cohen, Ms. Chow, Mr. Vininsky and Mr. Alves regarding further revised draft agency agreement; e-mail from Mr. Rubin regarding weekly update call; e-mail from Ms. Chow regarding revised draft sale guidelines and reviewing same; e-mails with Ms. Chow, Mr. Jackson and Mr. Martin regarding amending letter with respect to RFP and receipt of sealed bids, and discussions with Mr. Jackson regarding same; e-mail from Ms. Chow forwarding exhibit to draft agency agreement regarding FF&E; Vicki Tickle Associate	1.70 hrs.	\$ 325.00/hr	\$ 552.50
11/22/11	Prepare for and attend on teleconference with company, monitor and Cap West to discuss marketing process; K.M. Jackson Partner	0.50 hrs.	\$ 405.00/hr	\$ 202.50
11/22/11	E-mails from Ms. Boparai regarding status call; conference call with monitor, company, Blakes and Cap West regarding business marketing process; conference call with monitor, company and Blakes regarding status of matters generally; Vicki Tickle Associate	1.10 hrs.	\$ 325.00/hr	\$ 357.50
11/24/11	Emails from Mr. Martin and Mr. Rubin regarding KEIP plan and potential charge for same; review email from Mr. Martin with questions with respect to senior trust indenture;			

Re: Sterling Shoes

	K.M. Jackson	Partner	0.20 hrs.	\$ 405.00/hr	\$ 81.00
11/24/11	E-mails with Mr. Crabtree regarding example of order approving agency agreement and sale guidelines; e-mail from Mr. Martin regarding review of Sterling Shoes Trust Indenture; e-mails from Mr. Martin and Mr. Rubin regarding KEIP and charge in respect thereof;				
	Vicki Tickle	Associate	0.40 hrs.	\$ 325.00/hr	\$ 130.00
11/25/11	Reviewing trust indenture; e-mail to Mr. Jackson regarding same; e-mail to Mr. Rubin and Mr. Crabtree regarding compliance with Article 11 of trust indenture;				
	Vicki Tickle	Associate	1.80 hrs.	\$ 325.00/hr	\$ 585.00

Re: Sterling Shoes

Our Fees		\$ 2,744.50
HST		329.34
Total Taxes on Fees		<u>\$ 329.34</u>
Total Fees Including Taxes		<u><u>\$ 3,073.84</u></u>
Disbursements		
<u>Taxable</u>		
11/14/11	Lasercopy	6.00
11/17/11	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5556377/COURT SERVICES	13.00
11/20/11	Lasercopy	12.90
11/21/11	Postage	3.50
11/21/11	Lasercopy	3.00
11/24/11	Lasercopy	0.30
11/25/11	Lasercopy	2.40
Total Disbursements		<u>41.10</u>
HST		4.94
Total Taxes on Disbursements		<u>\$ 4.94</u>
Total Disbursements Including Taxes		<u><u>\$ 46.04</u></u>
Total Fees, Disbursements and Taxes		<u><u>CAD \$ 3,119.88</u></u>

Tax Summary

HST	334.28
Total Taxes Included in This Bill	<u><u>334.28</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: December 6, 2011
Matter #: 285937.00003
Invoice #: 610629
HST #: 87937 6127 RT0003

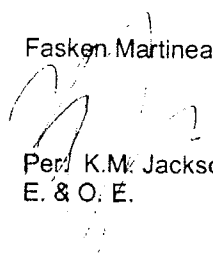
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 12/02/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 6,578.50
Total Disbursements	12.90
Total Taxes	790.96
Total Amount Owning This Bill	<u>CAD \$ 7,382.36</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

11/26/11	E-mails with Ms. Keilty regarding amended and restated trust indenture and reviewing same; e-mail from Mr. Martin and e-mails with Ms. Keilty regarding limited partnership agreement; Vicki Tickle Associate 0.40 hrs. \$ 325.00/hr \$ 130.00
11/27/11	Review trust indenture; emails exchanged with Ms. Tickle regarding same and regarding response to Mr. Martin's questions; K.M. Jackson Partner 0.50 hrs. \$ 405.00/hr \$ 202.50
11/28/11	Emails from and to Mr. Jackson regarding associated corporations issue; C.A. Jones Partner 0.30 hrs. \$ 350.00/hr \$ 105.00
11/28/11	Conference with Mr. Jackson regarding partnership issues and intercorporate debt, status and timing; J.F. Grieve Partner 0.50 hrs. \$ 675.00/hr \$ 337.50
11/28/11	Review email attachments from Ms. Boparai regarding assignment of lease; telephone conversation with Ms. Boparai regarding same; review email from Ms. Boparai to Sterling regarding same; emails exchanged with Mr. Jones and Ms. Tickle regarding opinion with respect to effect of trust debenture; K.M. Jackson Partner 1.10 hrs. \$ 405.00/hr \$ 445.50
11/28/11	Voice message from Mr. Huber regarding transit number for funds transfer; e-mails with Ms. Boparai regarding same; e-mails with Mr. Jackson and Mr. Jones regarding debts to which debentures are subordinated; e-mail to Mr. Martin regarding same; e-mails with Ms. Sarrath regarding details for funds transfer; telephone call with Mr. Huber confirming wire transfer and e-mail to Ms. Boparai regarding same; e-mails with Mr. Haw regarding proposal for liquidation services; e-mails with Mr. Naughton regarding proposal for liquidation services; e-mails with Mr. Martin and Ms. Boparai regarding delivery of proposals; e-mails with Mr. Fredericks regarding proposal for liquidation services; e-mails with Mr. Raskin regarding proposal for liquidation services; e-mails to monitor, company, Blakes and Richters forwarding proposals for liquidation services; reviewing proposals for liquidation services; telephone call with Ms. Warbinek regarding proposals received; e-mails with Mr. Martin, and e-mails and discussions with DSSS, regarding comparison of Century agency agreement with distributed version; e-mails with Mr. Rubin, Mr. Haw and Mr. Raskin regarding Word versions of Century and Tiger bids; Vicki Tickle Associate 3.30 hrs. \$ 325.00/hr \$ 1,072.50
11/29/11	Review blackline comparisons of requests for proposal circulated by Mr. Rubin; K.M. Jackson Partner 0.40 hrs. \$ 405.00/hr \$ 162.00
11/29/11	E-mails from Mr. Haw and Mr. Raskin forwarding Word versions of proposal documents; e-mails to Monitor, Blakes and company forwarding same; e-mail to

Re: Sterling Shoes

	Monitor, Blakes and company regarding communication with bidders with respect to timeline; telephone call with Mr. Gumprich, and e-mails with Ms. Warbinek and Mr. Rubin, regarding blackline of Century proposal to circulated draft agency agreement; telephone call with Mr. Dunbar regarding timeline for process; e-mail to Monitor, Blakes and company regarding same; e-mail from Mr. Rubin forwarding blacklines of proposals to circulated draft agency agreement; e-mail from Ms. Warbinek regarding process for review of liquidation proposals and e-mail to Mr. Martin, Ms. Boparai and Mr. Rubin regarding same;			
	Vicki Tickle	Associate	1.20 hrs.	\$ 325.00/hr \$ 390.00
11/30/11	E-mail from Mr. Raskin regarding proposal review process and e-mails with Mr. Martin, Ms. Boparai and Mr. Rubin regarding same; e-mail to bidders regarding proposal review process;			
	Vicki Tickle	Associate	0.20 hrs.	\$ 325.00/hr \$ 65.00
12/01/11	Review liquidation proposal comparison prepared by Mr. Martin; email to Mr. Martin regarding same; review emails exchanged between Mr. Martin and Mr. Benchaya regarding same;			
	K.M. Jackson	Partner	0.90 hrs.	\$ 405.00/hr \$ 364.50
12/01/11	E-mail from Mr. Martin attaching comparative analysis of liquidation proposals and reviewing same; e-mails from Mr. Martin and Mr. Benchaya regarding same;			
	Vicki Tickle	Associate	0.20 hrs.	\$ 325.00/hr \$ 65.00
12/02/11	E-mail from Mr. Rubin (x2) regarding next hearing and issues to be addressed; conference with Mr. Jackson regarding same and status;			
	J.F. Grieve	Partner	0.40 hrs.	\$ 675.00/hr \$ 270.00
12/02/11	Begin reviewing and drafting amendments to application materials circulated by Mr. Crabtree; review comments by Ms. Tickle with respect to same; prepare for and attend at meeting with Mr. Martin and Ms. Boparai regarding analysis of liquidation proposals and report with respect to same; attend on teleconference with monitor, company and counsel for weekly update, including with respect to charges to be created by court order;			
	K.M. Jackson	Partner	3.80 hrs.	\$ 405.00/hr \$ 1,539.00
12/02/11	Reviewing draft notice of application and supporting affidavits of Mr. Gumprich and Mr. Richardson; e-mails with Mr. Jackson regarding same; meeting with Mr. Martin and Ms. Boparai (with Mr. Jackson) to discuss analysis of liquidation proposals;			
	Vicki Tickle	Associate	4.40 hrs.	\$ 325.00/hr \$ 1,430.00

Re: Sterling Shoes

Our Fees		\$ 6,578.50
HST		789.42
Total Taxes on Fees		<u>\$ 789.42</u>
Total Fees Including Taxes		<u><u>\$ 7,367.92</u></u>
Disbursements		
<u>Taxable</u>		
11/28/11	Telephones Charges	0.60
	/13107958055/Santa Monica - CA	
	(USA)/3214/09:49/2	
11/28/11	Lasercopy	2.10
12/02/11	Lasercopy	10.20
Total Disbursements		<u>12.90</u>
HST		1.54
Total Taxes on Disbursements		<u>\$ 1.54</u>
Total Disbursements Including Taxes		<u><u>\$ 14.44</u></u>
Total Fees, Disbursements and Taxes		<u><u>CAD \$ 7,382.36</u></u>
Tax Summary		
HST		790.96
Total Taxes Included in This Bill		<u><u>790.96</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: December 13, 2011
Matter #: 285937.00003
Invoice #: 612996
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 12/09/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 10,757.50
Total Disbursements	115.90
Total Taxes	1,304.81
Total Amount Owing This Bill	CAD \$ 12,178.21

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

12/04/11	Review and draft amendments to Notice of Application, affidavits and order prepared and circulated by Mr. Crabtree; email to Mr. Crabtree and others attaching clean and comparison versions of foregoing documents; review amended draft Agency Agreement circulated by Ms. Chow; email to Ms. Chow and others to provide comments on same; review emails exchanged among Ms. Chow, Mr. Martin, Ms. Boparai, Mr. Alves and Mr. Rubin regarding draft Agency Agreement;	K.M. Jackson	Partner	3.80 hrs.	\$ 405.00/hr	\$ 1,539.00
12/04/11	E-mails from Mr. Martin and Ms. Boparai regarding monitor's comments on draft court materials and reviewing same; e-mails from Ms. Chow, Mr. Alves and Mr. Martin regarding revised draft agency agreement; reviewing same; e-mails from Mr. Crabtree, Ms. Chow, Mr. Gumphrich and Mr. Jackson regarding proposed end date for cash flow statements and extended stay period; e-mail from Ms. Chow regarding revised Gross Rings language; e-mails from Ms. Chow and Mr. Alves regarding Sale Commencement Date; e-mails from Mr. Jackson regarding FMD and monitor comments on draft court documents; e-mails with Mr. Crabtree and Mr. Jackson regarding draft order and reviewing same;	Vicki Tickle	Associate	2.10 hrs.	\$ 325.00/hr	\$ 682.50
12/05/11	Numerous emails exchanged with Ms. Tickle, Mr. Martin and Ms. Boparai regarding issues with respect to agency agreement and disclosure of cost factor; telephone conversation with Ms. Boparai regarding same; review amended draft of agency agreement and conference with Ms. Tickle to provide comments with respect to same; review emails exchanged among Ms. Chow, Ms. Boparai and others regarding details concerning agency agreement and implementation of same;	K.M. Jackson	Partner	1.40 hrs.	\$ 405.00/hr	\$ 567.00
12/05/11	E-mails with Ms. Chow and from Mr. Alves regarding comments on revised draft agency agreement, etc.; e-mails from Ms. Warbinek, Ms. Chow and Mr. Gumphrich regarding revised Exhibit 1A to Agency Agreement; e-mails from Mr. Jackson and Ms. Boparai regarding cost files referred to in Agency Agreement; e-mails from Ms. Chow regarding draft standby letters of credit; e-mail from Ms. Chow attaching revised Exhibit 2.4 to Agency Agreement; e-mail from Ms. Chow regarding further revised draft Agency Agreement and reviewing same; e-mails with Ms. Chow regarding same;	Vicki Tickle	Associate	2.20 hrs.	\$ 325.00/hr	\$ 715.00
12/06/11	E-mail from Mr. Oliver regarding infringement of action from Adidas; e-mail to and from Mr. Jackson regarding same;	J.F. Grieve	Partner	0.30 hrs.	\$ 675.00/hr	\$ 202.50
12/06/11	Review amended drafts of agency agreement circulated by Ms. Chow; numerous emails exchanged with Ms. Chow, Ms. Tickle, Ms. Boparai and Mr. Alvez regarding same; review letter from counsel for Adidas regarding sale of shoes and liquidation and Federal Court proceeding; telephone conversations with Mr. Martin and Mr. Rubin regarding same; emails exchanged with Mr. Rubin regarding same; review					

Re: **Sterling Shoes**

	draft letters of credit circulated by Ms. Chow; conference with Ms. Tickle regarding same;				
	K.M. Jackson	Partner	2.40 hrs.	\$ 405.00/hr	\$ 972.00
12/06/11	E-mails with Ms Chow regarding draft standby letters of credit; discussion with Mr. Jackson regarding same; reviewing and revising draft letters of credit; reviewing e-mails and draft Agency Agreement regarding Expenses provision; e-mails with Ms. Chow, Mr. Jackson, Mr Alves, and discussion with Mr. Jackson regarding draft Inventory Taking instructions; reviewing same; e-mail from Mr. Martin forwarding draft Second Monitor's Report and reviewing and revising same;				
	Vicki Tickle	Associate	4.40 hrs.	\$ 325.00/hr	\$ 1,430.00
12/07/11	Numerous e-mails from Mr. Crabtree regarding application materials; e-mail from Ms. Tickle regarding monitor's report;				
	J.F. Grieve	Partner	0.40 hrs.	\$ 675.00/hr	\$ 270.00
12/07/11	Review amended drafts of various schedules to agency agreement circulated by Ms. Chow; review and draft amendments to monitor's report and circulate clean and comparison versions of same to Mr. Martin and Ms. Boparai; conference with Ms. Tickle regarding same;				
	K.M. Jackson	Partner	2.60 hrs.	\$ 405.00/hr	\$ 1,053.00
12/07/11	Revising draft Monitor's Second Report and e-mails with Mr. Martin, Ms. Boparai and Mr. Jackson regarding same; e-mail from Ms. Chow regarding proposed execution version of Agency Agreement and reviewing same; e-mail from Ms. Chow regarding letters of credit and reviewing same; e-mail from and discussion with Mr. Jackson regarding Expenses Letter of Credit; e-mail from Ms. Chow regarding proposed final exhibits to Agency Agreement and reviewing same; e-mails from Ms. Chow regarding Cost File; e-mails with Mr. Raskin regarding process for return of deposit, and e-mails with Mr. Martin and telephone call with Ms. Boparai regarding same; e-mails from Ms. Boparai attaching filed application materials; e-mail from Mr. Jackson regarding further comments on draft Second Monitor's Report and reviewing same; e-mails from Mr. Martin and Mr. Jackson regarding stay extension date;				
	Vicki Tickle	Associate	2.80 hrs.	\$ 325.00/hr	\$ 910.00
12/08/11	Review materials in advance of application for approval of agreements and extension of stay of proceedings; emails exchanged with Mr. Martin regarding attendance at chambers; emails exchanged with Mr. Rubin regarding anticipated opposition to application;				
	K.M. Jackson	Partner	0.90 hrs.	\$ 405.00/hr	\$ 364.50
12/08/11	Voice message to and telephone call with Mr. Crabtree regarding December 9 hearing and discussion with Ms. Volkow regarding same; e-mail from Ms. Chow regarding final form of letters of credit;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 325.00/hr	\$ 65.00
12/09/11	Prepare for and attend at chambers on application by Sterling for approval of				

Re: Sterling Shoes

	agreements and extension of stay of proceedings;			
	K.M. Jackson	Partner	2.90 hrs.	\$ 405.00/hr \$ 1,174.50
12/09/11	Preparing for and appearing on hearing before Mr. Justice Pearlman; e-mail from Mr. Huber regarding return of deposit; e-mail from Mr. Martin regarding priority of debentures;			
	Vicki Tickle	Associate	2.50 hrs.	\$ 325.00/hr \$ 812.50

Re: Sterling Shoes

Matter #: 285937.00003

Invoice #: 612996

Our Fees

HST

\$ 10,757.50

1,290.90

Total Taxes on Fees

\$ 1,290.90

Total Fees Including Taxes

\$ 12,048.40**Disbursements**Taxable

12/06/11	Lasercopy	21.60
12/07/11	Lasercopy	44.40
12/07/11	Lasercopy	0.30
12/08/11	Lasercopy	0.60
12/08/11	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5571149/COURT SERVICES/15053	13.00
12/09/11	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/3/3	0.90
12/09/11	Lasercopy	35.10

Total Disbursements

115.90

HST

13.91

Total Taxes on Disbursements

\$ 13.91

Total Disbursements Including Taxes

\$ 129.81**Total Fees, Disbursements and Taxes****CAD \$ 12,178.21****Tax Summary**

HST

1,304.81

Total Taxes Included in This Bill

1,304.81

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile

**FASKEN
MARTINEAU** 

Date: January 9, 2012
Matter #: 285937.00003
Invoice #: 617492
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 12/31/2011 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 2,076.00
Total Disbursements	6.25
Total Taxes	249.88
Total Amount Owing This Bill	CAD \$ 2,332.13

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

FILE COPY

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

12/11/11	Discussion with Mr. Jackson regarding Mr. Martin's e-mail with respect to priority of debentures; Vicki Tickle Associate 0.10 hrs. \$ 325.00/hr \$ 32.50
12/12/11	Review file regarding Sterling order; e-mail to and from Ms. Tickle regarding same; J.F. Grieve Partner 0.30 hrs. \$ 675.00/hr \$ 202.50
12/12/11	Emails exchanged with Mr. Martin and Ms. Tickle regarding delivery of earlier email with respect to terms of debentures; K.M. Jackson Partner 0.20 hrs. \$ 405.00/hr \$ 81.00
12/12/11	E-mails from Mr. Jackson and Mr. Martin regarding priority of debentures; e-mails with Ms. Savoy, Mr. Martin and Ms. Boparai regarding Adidas Federal Court motion materials; reviewing same; e-mails with Mr. Crabtree regarding lease disclaimer notice; Vicki Tickle Associate 0.70 hrs. \$ 325.00/hr \$ 227.50
12/13/11	Emails exchanged with Mr. Rubin forwarding email prepared by Ms. Tickle with respect to subordinated debentures; K.M. Jackson Partner 0.20 hrs. \$ 405.00/hr \$ 81.00
12/13/11	E-mail from Mr. Jackson regarding debenture priority issue; Vicki Tickle Associate 0.10 hrs. \$ 325.00/hr \$ 32.50
12/15/11	Review emails from Ms. Boparai regarding disclaimer of leases; conference with Ms. Boparai regarding same; K.M. Jackson Partner 0.20 hrs. \$ 405.00/hr \$ 81.00
12/16/11	Telephone conversation with Mr. Martin regarding disclaimer of leases; email from Mr. Martin attaching notices of disclaimer of leases; K.M. Jackson Partner 0.30 hrs. \$ 405.00/hr \$ 121.50
12/16/11	E-mail from Mr. Martin regarding lease disclaimers; Vicki Tickle Associate 0.10 hrs. \$ 325.00/hr \$ 32.50
12/19/11	Attend on teleconference for update with respect to status of various matters; K.M. Jackson Partner 0.80 hrs. \$ 405.00/hr \$ 324.00
12/21/11	Emails exchanged with Mr. Martin and Ms. Tickle regarding letters to be delivered to landlords concerning mitigation of claims; conference with Ms. Tickle regarding same; K.M. Jackson Partner 0.20 hrs. \$ 405.00/hr \$ 81.00
12/21/11	E-mails with Mr. Martin and Mr. Jackson and discussions with Mr. Jackson

Re: Sterling Shoes

regarding lease disclaimers and company's position with respect to landlords withholding consent to assignment; e-mail from Mr. Rubin regarding CAIRP notice issue;

Vicki Tickle	Associate	0.50 hrs.	\$ 325.00/hr	\$ 162.50
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12/22/11 Emails with Mr. Martin and Ms Boparai regarding draft letters with regards to termination of employees; reviewing same; emails and telephone call with Ms. Boparai regarding adjustment of Final Cost Value of Merchandise and discussions with Century regarding same;

Vicki Tickle	Associate	0.80 hrs.	\$ 325.00/hr	\$ 260.00
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12/23/11 Review draft letters to employees and to Minister of Employment Standards regarding terminations of employment; email to Mr. Martin and Ms. Boparai attaching amended versions of same with comments; emails exchanged with and telephone conversation with Ms. Boparai regarding blocked account transaction and issues relating to same;

K.M. Jackson	Partner	0.80 hrs.	\$ 405.00/hr	\$ 324.00
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12/23/11 Emails with Ms Boparai regarding Blocked Account Agreement;

Vicki Tickle	Associate	0.10 hrs.	\$ 325.00/hr	\$ 32.50
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Re: Sterling Shoes

Our Fees

HST

\$ 2,076.00

249.12

Total Taxes on Fees

\$ 249.12

Total Fees Including Taxes

\$ 2,325.12

Disbursements

Taxable

12/12/11	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 B/1/1	0.25
12/12/11	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 B/1/1	0.30
12/12/11	Laser copy	4.80
12/12/11	Laser copy	0.60
12/22/11	Laser copy	0.30

Total Disbursements

6.25

HST

0.76

Total Taxes on Disbursements

\$ 0.76

Total Disbursements Including Taxes

\$ 7.01

Total Fees, Disbursements and Taxes

CAD \$ 2,332.13

Tax Summary

HST

249.88

Total Taxes Included in This Bill

249.88

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile

**FASKEN
MARTINEAU** 

Date: January 24, 2012
Matter #: 285937.00003
Invoice #: 622992
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 01/20/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 3,807.00
Total Disbursements	30.00
Total Taxes	460.44
Total Amount Owing This Bill	<u>CAD \$ 4,297.44</u>

Fasken Martineau DuMoulin LLP


Perry K.M. Jackson
F. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

01/04/12	Telephone call with Ms. Boparai regarding dealing with landlords' claims in plan; e-mails with Ms. Boparai regarding telephone contracts and reviewing same and Initial Order;				
	Vicki Tickle	Associate	1.40 hrs.	\$ 360.00/hr	\$ 504.00
01/05/12	Reviewing telephone contracts and e-mails; telephone call with Ms. Boparai regarding ability of company to terminate same by notice; e-mail from Mr. Jackson regarding same; e-mail to and telephone call with Mr. Rubin and Mr. Crabtree regarding termination of telephone contracts;				
	Vicki Tickle	Associate	1.60 hrs.	\$ 360.00/hr	\$ 576.00
01/06/12	Attend on status update teleconference;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
01/06/12	Weekly status conference call; e-mails with Ms. Boparai regarding draft Amendment No. 1 to Agency Agreement and reviewing and revising same; e-mail from Ms. Boparai regarding proposed trust arrangements and payments to Century; voice message from and to Ms. Boparai; e-mails from Ms. Boparai and Mr. Gumprich regarding appropriate form of inventory report;				
	Vicki Tickle	Associate	1.20 hrs.	\$ 360.00/hr	\$ 432.00
01/08/12	Review draft Amendment to Agency Agreement; review amended version circulated by Ms. Tickle; email to Ms. Boparai and Ms. Tickle regarding same; review email from Ms. Boparai forwarding emails exchanged among Century Services, Sterling and Monitor concerning trust arrangements;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
01/09/12	E-mails with Ms. Boparai regarding revised form of Amending Agreement No. 1 to Agency Agreement and reviewing same; e-mails with Ms. Chow regarding same;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
01/10/12	E-mails from Ms. Chow and Mr. Hudson regarding Amending Agreement No. 1 to Agency Agreement;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
01/11/12	Review draft amendment no. 2 to agency agreement and draft amendments to same; email to Ms. Chow and others attaching comparison version for review; emails exchanged with Ms. Chow and client regarding release of deposit funds from account of monitor; review materials in relation to same;				
	K.M. Jackson	Partner	1.20 hrs.	\$ 450.00/hr	\$ 540.00
01/11/12	E-mails from Ms. Chow, Mr. Martin, Ms. Sulley, Mr. Jackson, Mr. Hudson and Ms. Boparai and discussion with Mr. Jackson regarding release of deposit monies by Monitor to Century; e-mails with Ms. Chow regarding draft Amendment No. 2 to Agency Agreement; e-mail from Ms. Chow forwarding executed Amendment No. 1				

Re: Sterling Shoes

	to Agency Agreement;				
	Vicki Tickle	Associate	0.80 hrs.	\$ 360.00/hr	\$ 288.00
01/12/12	Review amended version of draft amendment no. 2 to agent agreement circulated by Ms. Chow; emails exchanged with Ms. Chow regarding same; review further amended draft circulated by Ms. Chow; emails from Century and Sterling authorizing release of funds; telephone conversation with Mr. Martin regarding same;				
	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
01/12/12	E-mails with Ms. Chow and Mr. Jackson regarding revised draft amendment no. 2 to agency agreement; e-mail from Ms. Chow regarding cancellation of letter of credit;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
01/13/12	Weekly status conference call;				
	Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
01/17/12	Review amended version of amendment no. 2 to agency agreement;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
01/17/12	E-mail from Ms. Chow regarding amendment no. 2 to agency agreement;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
01/18/12	Emails exchanged with client regarding letter to be delivered by monitor to landlord confirming consent to assignments and disposition of store leases;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
01/18/12	E-mail from Mr. Jackson regarding updated service list; e-mails from Ms. Boparai and Mr. Jackson regarding Cadillac Fairview lease issues;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
01/19/12	E-mail from Ms. Chow attaching executed Amendment No. 2 to Agency Agreement;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00

Re: Sterling Shoes

Our Fees	\$ 3,807.00
HST	456.84
Total Taxes on Fees	<u>\$ 456.84</u>
Total Fees Including Taxes	<u><u>\$ 4,263.84</u></u>
Disbursements	
<u>Taxable</u>	
01/04/12 Lasercopy	28.50
01/06/12 Lasercopy	1.50
Total Disbursements	<u>30.00</u>
HST	3.60
Total Taxes on Disbursements	<u>\$ 3.60</u>
Total Disbursements Including Taxes	<u><u>\$ 33.60</u></u>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 4,297.44</u></u>

Tax Summary

HST	460.44
Total Taxes Included in This Bill	<u><u>460.44</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: January 31, 2012
Matter #: 285937.00003
Invoice #: 624501
HST #: 87937 6127 RT0003

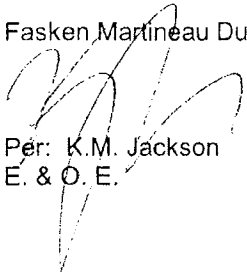
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 01/27/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 5,726.00
Total Disbursements	0.60
Total Taxes	687.19
Total Amount Owing This Bill	<u>CAD \$ 6,413.79</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

01/23/12	E-mail from Mr. Rubin regarding CCAA plan and issues to address; e-mail to and from Mr. Martin and Mr. Jackson regarding same; review file regarding partnership issue;	J.F. Grieve	Partner	0.80 hrs.	\$ 700.00/hr	\$ 560.00
01/23/12	Email from Mr. Rubin regarding issue with respect to noteholder priority;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
01/24/12	Review file regarding partnership issues; e-mail to and from Mr. Jackson regarding same; e-mail to and from Mr. Martin regarding meetings to discuss;	J.F. Grieve	Partner	0.60 hrs.	\$ 700.00/hr	\$ 420.00
01/24/12	Consider issues around consolidation of estates for purposes of plan;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
01/25/12	E-mail from Mr. Martin regarding issues and study law regarding partnership issues; attend meeting Ms. Martin, Ms. Boparai, Mr. Jackson and Ms. Tickle regarding issues for monitor in preparation for Blakes meeting;	J.F. Grieve	Partner	1.60 hrs.	\$ 700.00/hr	\$ 1,120.00
01/25/12	Conference with Mr. Grieve, Ms. Tickle, Mr. Martin and Ms. Boparai regarding issues relating to consolidation of estates for purposes of plan;	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
01/25/12	Reviewing notes regarding convertible debentures regarding subordination issues; reviewing indenture documents regarding guarantee issue;	Vicki Tickle	Associate	1.50 hrs.	\$ 360.00/hr	\$ 540.00
01/26/12	Review file regarding partnership issues; e-mail to and from and conference with Mr. Jackson regarding substantive consolidation; study law regarding same; prepare for and attend meeting at Blakes regarding plan issues and monitor's position; memo to file regarding same; e-mail from Mr. Jackson regarding unsecured notes and subordination language;	J.F. Grieve	Partner	2.30 hrs.	\$ 700.00/hr	\$ 1,610.00
01/26/12	Research regarding substantive consolidation in CCAA plans; prepare for and attend at meeting with monitor, counsel for petitioners and Mr. Grieve regarding noteholder claims and options for plans of arrangement;	K.M. Jackson	Partner	1.90 hrs.	\$ 450.00/hr	\$ 855.00
01/26/12	Discussion with Mr. Jackson regarding debenture and whether guaranteed; e-mails from Mr. Jackson and Mr. Rubin regarding same;	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
01/27/12	Attend on teleconference with Sterling, counsel for Sterling and monitor;					



Page 3

Matter #: 285937.00003
Invoice #: 624501

Re: Sterling Shoes

K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
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Re: Sterling Shoes

Our Fees	\$ 5,726.00
HST	687.12
	<hr/>
Total Taxes on Fees	\$ 687.12
	<hr/>
Total Fees Including Taxes	<u><u>\$ 6,413.12</u></u>
 Disbursements	
<u>Taxable</u>	
01/25/12 Lasercopy	0.60
	<hr/>
Total Disbursements	0.60
	<hr/>
HST	0.07
	<hr/>
Total Taxes on Disbursements	\$ 0.07
	<hr/>
Total Disbursements Including Taxes	\$ 0.67
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 6,413.79</u></u>

Tax Summary

HST	687.19
	<hr/>
Total Taxes Included in This Bill	<u><u>687.19</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: March 12, 2012
Matter #: 285937.00003
Invoice #: 633212
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 03/09/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 3,147.00
Total Disbursements	38.95
Total Taxes	382.32
Total Amount Owning This Bill	CAD \$ 3,568.27

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

01/30/12	Review draft letter prepared by Capital West to be delivered to prospective purchasers; draft amendments to same; review additional amendments to same circulated by counsel for company; emails exchanged with and telephone conversations with client regarding same;	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
02/13/12	Email from Mr. Beveridge attaching offers and offer summary; begin review of same; email to Ms. Tickle forwarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
02/13/12	E-mails with Mr. Jackson regarding proposals from investors and reviewing same;	Vicki Tickle	Associate	1.30 hrs.	\$ 360.00/hr	\$ 468.00
02/15/12	Review draft monitor's report and comments of Ms. Tickle with respect to same; email to Ms. Tickle and Mr. Martin with additional comments;	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
02/15/12	E-mails with Mr. Martin regarding draft Monitor's Third Report; reviewing and revising same; e-mails from Mr. Jackson, Mr. Rubin and Mr. Gumprich regarding same;	Vicki Tickle	Associate	1.00 hrs.	\$ 360.00/hr	\$ 360.00
02/16/12	E-mail from Ms. Tickle regarding monitor's report and review same;	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
02/16/12	Review emails from Mr. Rubin and Mr. Gumprich providing comments on monitor's report;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
02/16/12	E-mail from Mr. Martin forwarding Monitor's Third Report; e-mail to service list delivering same; e-mails with Mr. Brousson regarding stay period;	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
02/22/12	Emails exchanged with Ms. Boparai regarding communications with former employee with respect to payment of severance;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
02/23/12	E-mail from Mr. Rubin regarding stalking horse and bid procedure;	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
02/28/12	Emails exchanged with Ms. Boparai regarding draft letter to landlord with respect to company entering into lease amending agreement;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00

Re: Sterling Shoes

02/29/12	Email from Mr. Martin regarding agreement between Ms. Buttery and company with respect to securing funds for payment of insurance costs;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
03/05/12	E-mail from Mr. Martin regarding bonus payable to Mr. Alves and reviewing employment offer letter; discussion with Mr. Jackson regarding same;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
03/07/12	E-mail from Mr. Jackson regarding Mr. Martin's e-mail with respect to bonuses payable to Mr. Alves;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
03/08/12	Emails exchanged with Ms. Boparai regarding potential claim of landlord and nature of same;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
03/09/12	Emails exchanged with Ms. Boparai, Mr. Crabtree and Mr. Rubin regarding lease assignment and issue with respect to ongoing obligations under lease; telephone conversation with Mr. Rubin and Mr. Crabtree regarding same; email to Mr. Martin, Ms. Boparai and Ms. Tickle regarding issues with respect to remuneration of Mr. Alves; review employment contract of Mr. Alves; further emails exchanged with Mr. Martin regarding same; emails exchanged with client and Mr. Rubin regarding meeting to discuss outstanding issues and next steps;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
03/09/12	E-mails from Mr. Jackson and Mr. Martin regarding bonuses payable to Mr. Alves and employment contract; reviewing same; discussion with Mr. Jackson regarding same; e-mails from Mr. Martin and Mr. Rubin regarding next steps and meeting to discuss same;				
	Vicki Tickle	Associate	0.40 hrs.	\$ 360.00/hr	\$ 144.00

Re: Sterling Shoes

Our Fees

HST

\$ 3,147.00

377.64

Total Taxes on Fees

\$ 377.64

Total Fees Including Taxes

\$ 3,524.64

Disbursements

Taxable

01/30/12	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.50
01/30/12	Lasercopy	1.20
02/13/12	Lasercopy	9.30
02/15/12	Lasercopy	2.70
02/15/12	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 B/4/4	1.00
02/15/12	Lasercopy	3.30
02/24/12	Title Searches/Court filings/Cert. Copies/DYE DURHAM/5613666/COURT SERVICES	13.75
03/05/12	Lasercopy	2.00
03/06/12	Lasercopy	0.40
03/09/12	Lasercopy	4.80

Total Disbursements

38.95

HST

4.68

Total Taxes on Disbursements

\$ 4.68

Total Disbursements Including Taxes

\$ 43.63

Total Fees, Disbursements and Taxes

CAD \$ 3,568.27

Tax Summary

HST

382.32

Total Taxes Included in This Bill

382.32

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile

**FASKEN
MARTINEAU** 

Date: April 9, 2012
Matter #: 285937.00003
Invoice #: 638582
HST #: 87937 6127 RT0003

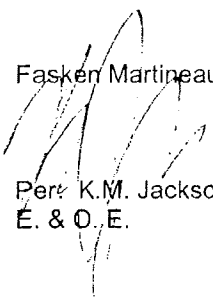
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 03/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 9,858.00
Total Disbursements	182.95
Total Taxes	1,204.90
Total Amount Owning This Bill	CAD \$ 11,245.85

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

03/12/12	E-mail from Mr. Martin regarding agenda for meeting and reviewing same; Vicki Tickle Associate 0.10 hrs. \$ 360.00/hr \$ 36.00
03/13/12	Attend at conference with Blakes, Alvarez & Marsal and Ms. Tickle to review status of matters and discuss strategy with respect to liquidation and distribution of proceeds; telephone conversation with Mr. Martin regarding opinion with respect to claims of noteholders; K.M. Jackson Partner 1.40 hrs. \$ 450.00/hr \$ 630.00
03/13/12	Attending meeting with Mr. Rubin, Ms. Kielty, Mr. Crabtree, Mr. Martin and Mr. Beveridge (with Mr. Jackson) regarding next steps, including possible plan, claims process order, etc.; Vicki Tickle Associate 1.30 hrs. \$ 360.00/hr \$ 468.00
03/15/12	Search precedents for transition services agreement; email to Blakes regarding same; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00
03/20/12	Briefly review asset purchase agreement; S.C. Custodio Associate 0.70 hrs. \$ 365.00/hr \$ 255.50
03/22/12	Emails with Mr. Crabtree regarding draft Claims Process Order; Vicki Tickle Associate 0.10 hrs. \$ 360.00/hr \$ 36.00
03/23/12	Instructions to Ms. Volkow regarding review of claims process order; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00
03/23/12	Conference with Mr. Jackson regarding reviewing draft claims process order provided by Blakes; review and mark up same; conference with Ms. Tickle regarding same; S. Volkow Secretary 3.20 hrs. \$ 200.00/hr \$ 640.00
03/23/12	Review deal and asset purchase agreement and provide comments; S.C. Custodio Associate 3.30 hrs. \$ 365.00/hr \$ 1,204.50
03/23/12	Conference with Ms. Volkow regarding draft CPO; Vicki Tickle Associate 0.40 hrs. \$ 360.00/hr \$ 144.00
03/24/12	E-mails with Mr. Rubin and from Mr. Jackson regarding draft CPO; Vicki Tickle Associate 0.10 hrs. \$ 360.00/hr \$ 36.00
03/25/12	Review amended version of Claims Process Order prepared by Ms. Volkow; email to Ms. Volkow providing additional comments concerning same; K.M. Jackson Partner 0.50 hrs. \$ 450.00/hr \$ 225.00

Re: Sterling Shoes

03/25/12	Review schedules to draft claims process order and draft amendments to same; conference with Ms. Tickle regarding same; prepare clean and blackline versions of order and email same to Mr. Jackson and Ms. Tickle with comments; emails exchanged with Mr. Jackson regarding further amendments; email to Mr. Rubin and Mr. Crabtree attaching clean and blackline versions of amended draft order;	S. Volkow	Secretary	3.00 hrs.	\$ 200.00/hr	\$ 600.00
03/25/12	E-mails with Mr. Jackson and Ms. Volkow regarding draft CPO and reviewing same;	Vicki Tickle	Associate	0.60 hrs.	\$ 360.00/hr	\$ 216.00
03/26/12	Emails exchanged with Mr. Beveridge regarding estimate for fees; review schedules and definitions for claims process order; draft amendments to same and email comments to Mr. Crabtree; emails exchanged with Mr. Martin regarding timing for delivery of report; conference with Ms. Tickle regarding draft asset purchase agreement;	K.M. Jackson	Partner	2.00 hrs.	\$ 450.00/hr	\$ 900.00
03/26/12	E-mail from Mr. Custodio attaching mark up of draft Asset Purchase Agreement and reviewing same; e-mail from Mr. Jackson forwarding additional comments on draft CPO and schedules thereto; discussion with Mr. Jackson regarding outstanding matters; e-mails with Mr. Martin regarding draft Asset Purchase Agreement;	Vicki Tickle	Associate	1.10 hrs.	\$ 360.00/hr	\$ 396.00
03/27/12	Email from Mr. Jackson regarding employee liability issue; review applicable materials; email to Mr. Jackson regarding the same;	C.A. Jones	Partner	0.60 hrs.	\$ 385.00/hr	\$ 231.00
03/27/12	E-mail from Mr. Crabtree regarding extension application; conference with Mr. Jackson regarding status;	J.F. Grieve	Partner	0.20 hrs.	\$ 700.00/hr	\$ 140.00
03/27/12	Review draft affidavit and notice of application forwarded by Mr. Crabtree; emails exchanged with Mr. Crabtree and others regarding same; review email from Mr. Martin providing comments on draft claims process order; emails exchanged with Mr. Martin and recipients of email regarding same;	K.M. Jackson	Partner	1.70 hrs.	\$ 450.00/hr	\$ 765.00
03/27/12	E-mails with Mr. Jackson and Mr. Martin regarding company's draft application materials; e-mail from Mr. Jackson regarding rent deferral agreement; reviewing draft affidavit #5 of Mr. Gumprich;	Vicki Tickle	Associate	0.80 hrs.	\$ 360.00/hr	\$ 288.00
03/28/12	Review draft ASA including comments of Mr. Custodio; emails exchanged with Mr. Crabtree, Mr. Rubin and Mr. Martin regarding claims of employees; review email from Ms. Tickle attaching markup of draft affidavit;					

Re: Sterling Shoes

	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
03/28/12	Reviewing Mr. Martin's and Mr. Jackson's comments on Company's draft application materials; e-mails from Mr. Jackson, Mr. Jones and Mr. Rubin regarding employee claims for severance in event of sale of business; preparing blackline of draft affidavit #5 of Mr. Gumprich and e-mail to Mr. Crabtree forwarding same; reviewing draft notice of application and claims process order and e-mail to Mr. Crabtree confirming no further comments on same;				
	Vicki Tickle	Associate	1.40 hrs.	\$ 360.00/hr	\$ 504.00
03/29/12	Telephone call with Mr. Jackson for instructions regarding application on April 2, 2012; review of Monitor's website regarding Monitor's most recent report to court for overview of file;				
	Danielle R. Toigo	Associate	0.50 hrs.	\$ 280.00/hr	\$ 140.00
03/29/12	Instructions to Ms. Toigo regarding application for Claims Procedure Order; email to Mr. Roos regarding opinion with respect to bondholder claims; emails exchanged with Mr. Martin et al regarding Report;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
03/29/12	E-mails with Mr. Martin, Mr. Crabtree and Mr. Jackson regarding draft monitor's fourth report; e-mails with Insolvency Group regarding ability to do distribution order without plan; reviewing draft monitor's fourth report and e-mails with Mr. Beveridge regarding same;				
	Vicki Tickle	Associate	1.80 hrs.	\$ 360.00/hr	\$ 648.00
03/30/12	Review e-mails from Mr. Martin; review finalized Monitor's 4th Report; review Notice of Application; review affidavit #5 of Daniel Gumprich; conference with Ms. Tickle regarding same all in preparation for application on April 2;				
	Danielle R. Toigo	Associate	1.40 hrs.	\$ 280.00/hr	\$ 392.00
03/30/12	Review draft Monitor's Report and comments of Ms. Tickle regarding same; email comments and suggested changes to client and Ms. Tickle;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
03/30/12	E-mails with Mr. Jackson regarding draft Monitor's 4th Report; e-mails from Mr. Martin and Ms. Volkow regarding final version of report and service and filing of same; conference with Ms. Toigo regarding application for approval of CPO, etc.;				
	Vicki Tickle	Associate	0.60 hrs.	\$ 360.00/hr	\$ 216.00
03/31/12	E-mails from Mr. Martin regarding extension of forbearance agreement and revised offer;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00

Re: Sterling Shoes

Our Fees	\$ 9,858.00
HST	1,182.96
	<hr/>
Total Taxes on Fees	\$ 1,182.96
	<hr/>
Total Fees Including Taxes	<u><u>\$ 11,040.96</u></u>
 Disbursements	
<u>Taxable</u>	
03/12/12 Lasercopy	1.20
03/13/12 Lasercopy	1.20
03/16/12 Lasercopy	37.60
03/22/12 Lasercopy	20.40
03/23/12 Lasercopy	8.00
03/25/12 Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/4/4	1.60
03/26/12 Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/3/3	1.20
03/26/12 Lasercopy	1.20
03/26/12 Lasercopy	0.40
03/26/12 Lasercopy	16.40
03/28/12 Lasercopy	29.20
03/29/12 Lasercopy	4.80
03/30/12 Title Searches/Court filings/Cert. Copies /DYE DURHAM/5641111/COURT SERVICES	13.75
03/30/12 Lasercopy	34.80
03/30/12 Lasercopy	11.20
	<hr/>
Total Disbursements	182.95
HST	21.94
	<hr/>
Total Taxes on Disbursements	\$ 21.94
	<hr/>
Total Disbursements Including Taxes	\$ 204.89
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 11,245.85</u></u>

Tax Summary

HST	<u>1,204.90</u>
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Page 6

Re: Sterling Shoes

Total Taxes Included in This Bill

1,204.90

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: May 8, 2012
Matter #: 285937.00003
Invoice #: 645391
HST #: 87937 6127 RT0003

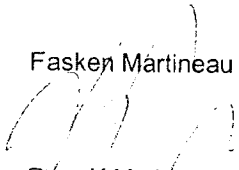
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 04/30/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 25,259.50
Total Disbursements	706.33
Total Taxes	3,115.92
Total Amount Owning This Bill	<u>CAD \$ 29,081.75</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

04/02/12	Prepare for and attend at application for approval of claims process order, including review all correspondence and draft materials provided by Mr. Martin; send e-mail to Mr. Martin confirming results of same;	Danielle R. Toigo	Associate	2.40 hrs.	\$ 280.00/hr	\$ 672.00
04/02/12	Numerous e-mails regarding claims procedure order;	J.F. Grieve	Partner	0.20 hrs.	\$ 700.00/hr	\$ 140.00
04/02/12	Review draft claim amount notice circulated by Mr. Powell; draft amendments to same and email comparison to Mr. Powell; review comments from other parties regarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
04/02/12	Conference with Ms. Toigo regarding timing of publication of notice under CPO; e-mail from Ms. Toigo regarding outcome of hearing; e-mails from Mr. Powell and Mr. Crabtree regarding form of Claim Amount Notice;	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
04/03/12	Follow up on copy of entered Order; forward same to Mr. Martin and Ms. Boparai;	Danielle R. Toigo	Associate	0.30 hrs.	\$ 280.00/hr	\$ 84.00
04/03/12	Review email from Mr. Martin to Mr. Gumprich regarding payment of funds to trust account and use of funds; emails exchanged with and voicemail from Mr. Martin regarding claims process and claims of employees; emails exchanged with Mr. Crabtree regarding amendment to instruction letter;	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
04/03/12	E-mails from Mr. Martin and Mr. Jackson regarding employee claims; e-mails from Ms. Toigo regarding entered Claims Process Order;	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
04/04/12	Emails exchanged with client, Mr. Custodio and Ms. Tickle regarding review of amended Asset Purchase Agreement and timing for same; email to Mr. Custodio attaching draft Asset Purchase Agreement with comments; email from Ms. Boparai regarding release of letter of credit and payment of deposit to Century Services; review agreements relating to same and email to Ms. Boparai regarding same;	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
04/04/12	Review draft asset purchase agreement; conference with client regarding key points;	S.C. Custodio	Associate	2.20 hrs.	\$ 365.00/hr	\$ 803.00
04/04/12	E-mails from Mr. Jackson, Mr. Martin and Mr. Custodio regarding revised draft Asset Purchase Agreement and review of same; e-mails with Mr. Jackson, Mr. Custodio and Ms. Toigo regarding conference call;					

Re: Sterling Shoes

	Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
04/05/12	Attend on teleconference with Mr. Martin, Ms. Boparai, Ms. Tickle and Mr. Custodio regarding draft asset purchase agreement and issues relating to same and transaction as well as post-closing issues; conference with Mr. Custodio regarding same;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
04/05/12	Review and provide comments on revised draft; discuss outstanding issues with the Monitor; conference with counsel for Sterling regarding outstanding issues; review revisions;				
	S.C. Custodio	Associate	4.90 hrs.	\$ 365.00/hr	\$ 1,788.50
04/05/12	Conference call regarding Monitor's comments on draft Asset Purchase Agreement; e-mails from Mr. Custodio and Mr. Martin regarding same;				
	Vicki Tickle	Associate	0.70 hrs.	\$ 360.00/hr	\$ 252.00
04/06/12	Review amended draft Asset Purchase Agreement circulated by Mr. Custodio with comments from Fasken and monitor; review email from Mr. Martin regarding same; emails exchanged with counsel for company, Mr. Custodio and Mr. Martin regarding draft Asset Purchase Agreement, including issues with respect to post-closing liquidation and access to books and records; draft suggested language with respect to same;				
	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
04/06/12	Conference with counsel for Sterling regarding revisions to lease; review revised language and comment;				
	S.C. Custodio	Associate	1.50 hrs.	\$ 365.00/hr	\$ 547.50
04/06/12	E-mail from Mr. Custodio attaching mark up of Asset Purchase Agreement and reviewing same; e-mails from Custodio, Mr. Jackson and Ms. Kelty regarding Monitor's comments on Asset Purchase Agreement and regarding obligation of trustee to hold books and records;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 360.00/hr	\$ 180.00
04/07/12	E-mail from Ms. Kelity attaching revised draft Asset Purchase Agreement;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
04/11/12	Review amended draft of asset purchase agreement circulated by Blakes; conference with Mr. Custodio to provide comments with respect to same; conference with Ms. Tickle regarding issues with respect to transition services and retention of Mr. Alves;				
	K.M. Jackson	Partner	0.90 hrs.	\$ 450.00/hr	\$ 405.00
04/11/12	Review agreement; consider employee issues and risks to Monitor; consider revisions and advise on same; conference with client;				
	S.C. Custodio	Associate	2.90 hrs.	\$ 365.00/hr	\$ 1,058.50

Re: Sterling Shoes

04/11/12	E-mail from Mr. Custodio attaching revised draft Asset Purchase Agreement and reviewing same; conference with Mr. Custodio regarding same; Vicki Tickle Associate 0.80 hrs. \$ 360.00/hr \$ 288.00
04/12/12	Telephone conversations and emails exchanged with Mr. Martin regarding sale agreement and issues relating to transition services and liquidation agreement; telephone conversation with Mr. Martin regarding issues relating to retention of management; review and draft amendments to draft assignment order prepared by Blakes; email to Blakes regarding same; emails exchanged with Mr. Rubin and telephone conversation with Mr. Rubin regarding foregoing; K.M. Jackson Partner 2.60 hrs. \$ 450.00/hr \$ 1,170.00
04/12/12	Review and revise asset purchase agreement; S.C. Custodio Associate 2.00 hrs. \$ 365.00/hr \$ 730.00
04/12/12	E-mail from Mr. Crabtree regarding draft assignment order with respect to Asset Purchase Agreement; discussion with and e-mail from Mr. Jackson regarding same; e-mail from Mr. Martin regarding timeline with respect to Asset Purchase Agreement and Forbearance Agreement; e-mail from Mr. Jackson regarding issues with respect to disclaimer of head office lease; Vicki Tickle Associate 0.20 hrs. \$ 360.00/hr \$ 72.00
04/13/12	Review and draft amendments to draft assignment and vesting orders prepared by Mr. Crabtree; review additional amendments suggested by Torys and others; review draft affidavit of Mr. Gumprich circulated by Mr. Crabtree; email to Mr. Crabtree and others with comments on same; telephone conversation and emails exchanged with Mr. Martin regarding issues relating to purchase and sale agreement, including transition services and retention of CFO; emails exchanged with Ms. Keilty, Mr. Custodio and others regarding purchase and sale agreement and issues relating to same; K.M. Jackson Partner 3.20 hrs. \$ 450.00/hr \$ 1,440.00
04/13/12	E-mails from Mr. Crabtree and Mr. Jackson regarding draft vesting order; e-mails from Mr. Crabtree and Mr. Jackson regarding assignment order; e-mails from Mr. Crabtree and Mr. Jackson regarding draft affidavit of Mr. Gumprich; Vicki Tickle Associate 0.20 hrs. \$ 360.00/hr \$ 72.00
04/15/12	Emails exchanged with Mr. Martin and Mr. Custodio regarding review of Asset Purchase Agreement and finalization of same; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00
04/15/12	E-mail from Mr. Crabtree attaching draft vesting order and reviewing same; Vicki Tickle Associate 0.20 hrs. \$ 360.00/hr \$ 72.00
04/16/12	Review amended draft vesting order and draft amendments to same; emails exchanged with Blakes regarding same; review amended draft of Asset Purchase Agreement and emails exchanged with Mr. Custodio, Mr. Martin and Ms. Keilty regarding same; emails exchanged with and telephone conversations with Mr.

Re: Sterling Shoes

Martin regarding issues relating to retention of employees and payment out of funds to be paid to monitor; emails exchanged with Blakes regarding amendments to orders to address same; emails exchanged with and telephone conversations with Ms. Ferris and Blakes regarding amendment to order to allow for assignment of registration against title to lands in respect of head office lease; attend to other matters generally relating to foregoing;

	K.M. Jackson	Partner	2.90 hrs.	\$ 450.00/hr	\$ 1,305.00
04/16/12	Conduct land title search;				
	S. Volkow	Secretary	0.10 hrs.	\$ 200.00/hr	\$ 20.00
04/16/12	Review asset purchase agreement and provide comments; emails regarding deposit wire transfer and consider logistics of closing and funds including BMO payout; conference with Blakes regarding same;				
	S.C. Custodio	Associate	2.30 hrs.	\$ 365.00/hr	\$ 839.50
04/16/12	E-mails from Mr. Martin and Mr. Crabtree regarding draft vesting order; e-mail from Mr. Jackson regarding same, and payment out of BMO facility on closing of transaction under Asset Purchase Agreement; e-mails from Mr. Jackson and Mr. Rubin regarding language for assignment order with respect to transfer of registered leases; e-mail from Ms. Ferguson attaching filed Reply Book of Western Forest Products, Seaspan and Interfor; e-mails with Mr. Crabtree, Mr. Jackson and Mr. Rubin regarding further revised vesting order;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 360.00/hr	\$ 180.00
04/17/12	Research case law on assignment of agreements pursuant to s. 11.3 of the CCAA; conference with Mr. Jackson regarding same;				
	Danielle R. Toigo	Associate	0.70 hrs.	\$ 280.00/hr	\$ 196.00
04/17/12	E-mail from and to Mr. Jackson and e-mail from Mr. Kauffman; review file regarding assignment of leases and pre-negotiation;				
	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
04/17/12	Emails exchanged and telephone conversations with Blakes regarding forms of vesting order and assignment order; emails exchanged with and conference with Mr. Rubin regarding issues with respect to assignment of leases; review draft affidavit to be sworn by representative of Town Shoes; emails exchanged with Ms. Tickle and Blakes regarding same; emails exchanged with Mr. Martin and Mr. Rubin regarding obtaining additional financial information with respect to Town Shoes;				
	K.M. Jackson	Partner	1.60 hrs.	\$ 450.00/hr	\$ 720.00
04/17/12	Attend to and correspondence regarding deposit funds for transaction; conference with counsel for Sterling regarding status of agreement;				
	S.C. Custodio	Associate	0.50 hrs.	\$ 365.00/hr	\$ 182.50
04/17/12	E-mail from Mr. Cassey regarding draft vesting order; e-mail from Mr. Crabtree attaching affidavit #6 of Mr. Gumprich and reviewing same; e-mail from Mr. Jackson				

Re: Sterling Shoes

forwarding draft affidavit of Mr. Gerhardt and reviewing same; e-mail to Mr. Crabtree forwarding comments on Mr. Gerhardt's draft affidavit; e-mails from Mr. Martin and Mr. Jackson regarding same; reviewing letter to landlords from Company regarding assignment of leases; e-mail from Mr. Jackson regarding hearing of application for approval of Asset Purchase Agreement, etc.; e-mails from Mr. Jackson and Mr. Kaufmann regarding obligation to negotiate pursuant to section 11.3 CCAA; e-mail from Mr. Martin regarding liquidation of non-assigned stores;

	Vicki Tickle	Associate	1.30 hrs.	\$ 360.00/hr	\$ 468.00
04/18/12	E-mail from Mr. Crabtree regarding sale application and review report;				
	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
04/18/12	Telephone conversations with Mr. Martin and Mr. Cassey regarding disclosure of financial information of purchaser to monitor for purposes of report; emails exchanged with foregoing persons regarding same; emails exchanged with Mr. Rubin and Mr. Martin regarding requirement for application to permit further disclaimers after closing of sales agreement; emails exchanged with Mr. Martin regarding commencing additional liquidation process before completion of sale;				
	K.M. Jackson	Partner	1.30 hrs.	\$ 450.00/hr	\$ 585.00
04/18/12	E-mails from Mr. Baird and Mr. Jackson regarding purported obligation to negotiate with landlords;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
04/19/12	Telephone conversations and e-mails exchanged with Ms. Boparai regarding finalization of report in respect of application for approval of purchase and sale agreement and additional liquidation process; e-mails exchanged with Ms. Boparai and Mr. Rubin regarding liquidation process; review e-mail from counsel for Town Shoes attaching financial information;				
	K.M. Jackson	Partner	1.20 hrs.	\$ 450.00/hr	\$ 540.00
04/19/12	Conference with Mr. Jackson regarding upcoming matters; e-mails from Mr. Jackson, Mr. Rubin and Ms. Boparai regarding call to discuss lease assignment and liquidation process issues;				
	Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
04/20/12	E-mails with Ms. Boparai and Mr. Rubin, and telephone call with Ms. Boparai, Mr. Rubin and Mr. Crabtree, regarding liquidation of remaining stores and lease assignment issues; e-mail from Mr. Crabtree regarding Bell issue and reviewing same and draft letter to Bell; e-mails with Ms. Boparai, Mr. Martin and Mr. Jackson regarding same; reviewing files and e-mail to Mr. Rubin and Mr. Crabtree regarding examples of orders assigning leases;				
	Vicki Tickle	Associate	0.70 hrs.	\$ 360.00/hr	\$ 252.00
04/24/12	Review and draft amendments to draft Report forwarded by Mr. Martin; e-mail same to Ms. Tickle with comments; e-mails exchanged with Ms. Tickle and Mr. Martin regarding issue concerning partial termination of Bell contract;				

Re: Sterling Shoes

	K.M. Jackson	Partner	2.20 hrs.	\$ 450.00/hr	\$ 990.00
04/24/12	E-mails with Mr. Jackson and Mr. Martin regarding draft report, and telephone call with Mr. Jackson regarding same; voice message and e-mail from, and telephone call with, Mr. Martin regarding Bell claim; reviewing CCAA and e-mails with Mr. Jackson regarding same; e-mail to Mr. Crabtree regarding Monitor's concerns with respect to Bell issue, and e-mails from Mr. Rubin and Mr. Martin regarding same; e-mails from Mr. Martin and Mr. Crabtree regarding assignment of contracts; reviewing and revising draft Monitor's 5th Report; e-mail to Mr. Martin forwarding same; e-mails with Mr. Jackson and Mr. Crabtree regarding final draft vesting order and signed Asset Purchase Agreement;				
	Vicki Tickle	Associate	3.70 hrs.	\$ 360.00/hr	\$ 1,332.00
04/25/12	Reviewing Monitor's 5th Report;				
	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
04/25/12	E-mails exchanged with and voicemails from Mr. Martin regarding Report and amendments to Assignment Order;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
04/25/12	E-mail from Mr. Martin regarding Bell issue; voice messages from and e-mail to Mr. Martin regarding language for draft report with respect to proposed assignment order; e-mails and telephone call with Mr. Crabtree and Mr. Martin regarding Bell issue and Monitor's Report; telephone call with Mr. Martin regarding same; e-mail to service list forwarding Monitor's Fifth Report; e-mail from Mr. Crabtree attaching Company's materials and updated service list; e-mails with Mr. Jackson regarding application, etc.; instructions to Ms Wong regarding filing of Monitor's Fifth Report;				
	Vicki Tickle	Associate	1.10 hrs.	\$ 360.00/hr	\$ 396.00
04/26/12	E-mails with Mr. Crabtree and Mr. Martin regarding revised draft assignment order and reviewing same; reviewing section 11.3(4) CCAA for purposes of same;				
	Vicki Tickle	Associate	1.10 hrs.	\$ 360.00/hr	\$ 396.00
04/27/12	Review amended draft of Assignment Order; emails exchanged with Ms. Tickle and Mr. Martin regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
04/27/12	E-mail from Mr. Crabtree attaching application record index and e-mail to Ms. Wong forwarding same; telephone call with Mr. Martin regarding assignment order and Monitor's report; e-mail to Mr. Crabtree regarding assignment order; e-mail from Mr. Crabtree forwarding "final" forms of vesting and assignment orders; e-mails with Mr. Martin, and to Mr. Crabtree and Mr. Rubin regarding accrued amounts under contracts to be assigned;				
	Vicki Tickle	Associate	0.60 hrs.	\$ 360.00/hr	\$ 216.00
04/28/12	Review amended draft of assignment order circulated by Mr. Crabtree and emails from Ms. Tickle and Mr. Martin regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00

Re: Sterling Shoes

04/29/12	Reviewing materials for application for assignment and vesting orders; Vicki Tickle Associate 1.00 hrs. \$ 360.00/hr \$ 360.00
04/30/12	Emails exchanged with Mr. Martin regarding timing for resignation of directors; conference with Ms. Tickle regarding application for approval and assignment orders and attendance at court with respect to same; review emails from Mr. Martin and Mr. Rubin regarding production of further cash flow and timing with respect to same; review email from Ms. Boparai and attached draft agency agreement with Great American; emails exchanged with Ms. Boparai regarding same; conference with Ms. Tickle regarding review of same; K.M. Jackson Partner 0.70 hrs. \$ 450.00/hr \$ 315.00
04/30/12	Discussion with Mr. Jackson regarding, and preparing for, hearing of application for vesting and assignment orders; e-mails with Mr. Martin and Mr. Rubin regarding agency agreement and further reporting; discussion with Mr. Jackson, and e-mails from Mr. Jackson, Ms. Boparai and Ms. Chow, regarding draft agency agreement with Great American; reviewing same; e-mail from Mr. Millman regarding application for vesting and assignment orders; appearing on hearing of application for assignment and vesting orders; e-mails from Mr. Martin and Mr. Jackson regarding resignation of directors; Vicki Tickle Associate 9.50 hrs. \$ 360.00/hr \$ 3,420.00

Re: Sterling Shoes

Our Fees

HST

\$ 25,259.50

3,031.14

Total Taxes on Fees

\$ 3,031.14

Total Fees Including Taxes

\$ 28,290.64

Disbursements

Taxable

04/02/12	Lasercopy	17.60
04/04/12	Lasercopy	20.00
04/05/12	Lasercopy	1.20
04/06/12	Lasercopy	2.40
04/11/12	Lasercopy	26.80
04/11/12	Lasercopy	42.80
04/15/12	Lasercopy	65.20
04/17/12	BC Online Searches/Queries/ QTSRCH/ SRVCHRG/ 16APR/ VOLKOW	8.95
04/17/12	Fax Kiran J. Dhillon 1137 10:10 (CPP) 18779097038	1.25
04/17/12	Lasercopy	18.00
04/17/12	Lasercopy	1.60
04/17/12	Lasercopy	0.40
04/17/12	Quicklaw Searches LEXIS LEGAL SERVICES/SINGLE DOCUMENT RETRIEVAL	21.98
04/17/12	Quicklaw Searches QUICKLAW SERVICE/SEARCHES	18.31
04/17/12	Quicklaw Searches QUICKLAW SERVICE/SINGLE DOCUMENT RETRIEVAL	6.10
04/17/12	Carswell LawSource Searches Citator Display/Transaction - Citator/7072777	9.24
04/17/12	Carswell LawSource Searches Find Transaction/Transaction - Find/7072777	14.78
04/17/12	Carswell LawSource Searches Westlaw Canada Search Entry/Transaction - Search/7072777	19.71
04/18/12	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.80
04/19/12	Lasercopy	4.00
04/24/12	Lasercopy	10.80
04/24/12	Carswell LawSource Searches Westlaw Canada Search Entry/Transaction - Search/6688625	46.20

Re: Sterling Shoes

04/25/12	Lasercopy	62.00
04/26/12	Lasercopy	8.80
04/26/12	Quicklaw Searches QUICKLAW SERVICE/SEARCHES	90.48
04/26/12	Carswell LawSource Searches Find Transaction/Transaction - Find/6688625	4.93
04/26/12	Photocopies	0.40
04/26/12	Document Scan	4.80
04/27/12	Lasercopy	1.60
04/30/12	Trust Administration Fee (BC)	10.00
04/30/12	Investment Administration	100.00
04/30/12	Lasercopy	64.80
04/30/12	Lasercopy	0.40
Total Disbursements		706.33
HST		84.78
Total Taxes on Disbursements		\$ 84.78
Total Disbursements Including Taxes		\$ 791.11
Total Fees, Disbursements and Taxes		CAD \$ 29,081.75

Tax Summary

HST	3,115.92
Total Taxes Included in This Bill	3,115.92

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: May 8, 2012
Matter #: 285937.00003
Invoice #: 645391
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 04/30/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 25,259.50
Total Disbursements	706.33
Total Taxes	3,115.92
Total Amount Owning This Bill	<u>CAD \$ 29,081.75</u>

Tax Summary

HST	3,115.92
Total Taxes Included in This Bill	<u>3,115.92</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: June 20, 2012
Matter #: 285937.00003
Invoice #: 654950
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 05/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 11,125.00
Total Disbursements	438.44
Total Taxes	1,387.64
Total Amount Owing This Bill	<u>CAD \$ 12,951.08</u>

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

05/01/12	Conference with Ms. Tickle regarding specific terms of agency agreement; review emails from Ms. Chow, Ms. Tickle and Ms. Boparai regarding same;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
05/01/12	Revising draft Great American agency agreement and e-mails with Mr. Jackson, Ms. Chow and Ms. Boparai regarding same; e-mails with Mr. Martin and Mr. Jackson regarding draft Monitor's report; conference call with Ms. Chow and Ms. Boparai regarding comments on draft agency agreement; discussion with Mr. Jackson regarding same; e-mail from Mr. Beveridge regarding WIP and estimated future fees, and discussion with Ms. Volkow and e-mail to Mr. Jackson regarding same; e-mail from Ms. Chow regarding Great American comments on draft agency agreement and reviewing same; conference call with Ms. Chow, Mr. Alves, Mr. Gumpich and Mr. Martin to discuss same; e-mail from Ms. Chow forwarding revised draft agency agreement and her e-mail to counsel for Great American;	Vicki Tickle	Associate	5.70 hrs.	\$ 360.00/hr	\$ 2,052.00
05/02/12	Emails exchanged with Mr. Beveridge regarding anticipated legal fees; review draft monitor's sixth report and amended version circulated by Ms. Tickle; email to Mr. Martin and Ms. Tickle regarding same; review numerous emails from company, Blakes and Ms. Tickle regarding agency agreement;	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
05/02/12	E-mails from Mr. Jackson and Mr. Beveridge regarding WIP and estimated future costs; reviewing revised draft agency agreement and Great American comments on same; e-mails from Mr. Alves, Mr. Martin, Ms. Chow and Mr. Rubin regarding same; e-mails with Mr. Martin and Mr. Jackson regarding draft Monitor's 6th Report and reviewing same; e-mails with Mr. Crabtree attaching draft order for approval of Great American agency agreement and reviewing same; e-mails from Ms. Chow regarding further revised draft agency agreement, and reviewing same; e-mail from Ms. Chow attaching action/closing checklist;	Vicki Tickle	Associate	3.30 hrs.	\$ 360.00/hr	\$ 1,188.00
05/03/12	E-mails from Ms. Chow and Mr. Carpenter regarding timing of application for approval of agency agreement and commencement of sale; e-mails from Ms. Chow and Mr. Alves regarding Great American comments on draft agency agreement and reviewing same; e-mails with Mr. Martin regarding Monitor's 6th Report; e-mails from Ms. Chow and Mr. Alves regarding further revised draft agency agreement and reviewing same; e-mail from Ms. Chow attaching draft letters of credit and reviewing same; e-mails from Ms. Chow regarding execution version of agency agreement; e-mail from Mr. Martin regarding subordinated debenture holders;	Vicki Tickle	Associate	0.80 hrs.	\$ 360.00/hr	\$ 288.00
05/04/12	Numerous e-mails from Mr. Siddiqui regarding sale application; review file regarding sixth report;	J.F. Grieve	Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00

Re: Sterling Shoes

05/04/12	E-mails from Mr. Siddiqui attaching notice of application and supporting affidavit of Mr. Gumprich; e-mails from Mr. Martin and Ms. Wong regarding Monitor's 6th Report and service and filing of same;	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
05/06/12	Emails exchanged with Mr. Martin regarding timing for discussions with subordinated noteholders and opinion regarding same;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
05/06/12	E-mail from Mr. Jackson regarding subordinated debenture holders;	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
05/07/12	Discussion with Mr. Jackson regarding opinion with respect to subordinated debenture holders; reviewing company materials regarding application for approval of agency agreement, etc.; e-mail with Mr. Martin regarding various categories of claims and CPO;	Vicki Tickle	Associate	0.50 hrs.	\$ 360.00/hr	\$ 180.00
05/08/12	Conference call with client and Ms. Tickle regarding issues relating to claims process involving landlords and employees and notification to debenture holders regarding distribution to same;	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
05/08/12	E-mails from Mr. Jackson and Mr. Martin regarding call to discuss CPO; e-mail from Ms. Chow attaching forms of letters of credit and reviewing same; preparing for and appearing on application for approval of agency agreement with Great American; conference call with Mr. Martin, Ms. Boparai, Mr. Powell and Mr. Jackson regarding CPO issues, etc.; e-mail from Mr. Crabtree attaching entered order approving agency agreement;	Vicki Tickle	Associate	3.20 hrs.	\$ 360.00/hr	\$ 1,152.00
05/09/12	Prepare for and attend on conference call with Mr. Martin, Ms. Boparai, Mr. Rubin and Ms. Tickle to discuss various issues relating to timing of process and retention of directors as well as insurance matters related to same;	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
05/09/12	E-mail from Mr. Jackson regarding call to discuss issues with respect to resignation directors, etc.; conference call with Mr. Rubin, Mr. Martin, Ms. Boparai and Mr. Jackson to discuss issues with respect to resignation of directors and D&O Insurance;	Vicki Tickle	Associate	0.60 hrs.	\$ 360.00/hr	\$ 216.00
05/14/12	Review list of closing documents prepared by Ms. Keilty; emails exchanged with Ms. Volkow regarding interest on deposit; emails to Mr. Roos and Mr. Custodio regarding closing and timing with respect to same; emails exchanged with Ms. Keilty and Mr. Martin regarding delivery of funds and directions in respect of same;	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00

Re: Sterling Shoes

05/14/12	Emails from Mr. Jackson, Mr. Martin and Ms Keilty regarding closing of Town APA, and reviewing closing agenda; discussions with Mr. Jackson regarding same;	Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
05/15/12	Emails exchanged with Ms. Keilty regarding amount of interest on deposit at closing; begin reviewing claims summary circulated by Mr. Martin;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
05/15/12	Review and revise asset purchase agreement and consider issues relevant to Monitor and closing mechanics; conference with Monitor on outstanding issues;	S.C. Custodio	Associate	1.40 hrs.	\$ 365.00/hr	\$ 511.00
05/15/12	Email from Mr. Martin regarding landlord claims; email from Mr. Jackson regarding closing agenda;	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
05/16/12	Review email from Mr. Martin regarding claims process and issues with respect to same; email to Mr. Martin, Mr. Powell and Ms. Tickle regarding same; teleconference with foregoing persons regarding same and issues relating to debenture holders; teleconference with foregoing persons and Blakes regarding same;	K.M. Jackson	Partner	1.30 hrs.	\$ 450.00/hr	\$ 585.00
05/16/12	Attend to pre-closing matters;	S.C. Custodio	Associate	0.50 hrs.	\$ 365.00/hr	\$ 182.50
05/16/12	Emails from and conference call with Mr. Jackson, Mr. Martin and Mr. Powell regarding landlord claims and opinion with respect to debenture holders' claim; discussion with Mr. Jackson regarding same; discussion with Mr. Coval regarding calculation of landlord claims and email to Mr. Martin and Mr. Powell re same; email from Mr. Kim attaching closing documents; reviewing file regarding opinion on debenture holder claim;	Vicki Tickle	Associate	1.10 hrs.	\$ 360.00/hr	\$ 396.00
05/17/12	Conference with Ms. Tickle regarding Notices of Disallowance and further information to request of employees;	C.A. Jones	Partner	0.50 hrs.	\$ 385.00/hr	\$ 192.50
05/17/12	Emails exchanged with Mr. Martin and Mr. Rubin regarding employee claims; attend on teleconference with Blakes, client and Ms. Tickle regarding same; review and draft amendments to draft letter to be delivered to employees with notices of revision;	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
05/17/12	Reviewing debenture document and previous advice to client regarding debenture holder claim; discussion with Mr. Jackson regarding same; conference call with Mr. Jackson, Mr. Martin and Mr. Rubin regarding employee claims, and drafting letter					

Re: Sterling Shoes

with respect to same; discussion with Mr. Jones regarding factors for common law severance claims; discussion with Mr. Custodio regarding logistics for Town APA closing; emails with Mr. Jackson, and to Mr. Martin and Mr. Rubin, regarding draft letter to employee creditors; email from Mr. Martin regarding Capwest transaction fee and D&O insurance;

Vicki Tickle	Associate	2.40 hrs.	\$ 360.00/hr	\$ 864.00
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05/18/12 Email from Mr. Martin regarding letter prepared by Ms. Tickle to employees regarding revision of claims; draft amendments to same and email same to Mr. Martin; review emails from counsel for company, counsel for Town Shoes and Mr. Roos regarding issues relating to closing; review certificates and other documents to be executed by monitor in relation to closing; numerous conferences with Mr. Roos regarding same;

K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
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05/18/12 Attend to closing matters; review documents relating to same;

S.C. Custodio	Associate	0.30 hrs.	\$ 365.00/hr	\$ 109.50
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05/18/12 Emails with Mr. Martin, Mr. Jackson and Mr. Rubin regarding draft letter to employees with respect to revised claims; email from Mr. Roos attaching Monitor's direction and certificates; email from Mr. Kim attaching revised Monitor's direction; emails from Mr. Martin and Mr. Gumprich regarding revised and disallowed claims;

Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
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05/20/12 Review various emails related to closing of Town Shoes sale agreement; review emails exchanged among Mr. Martin, Mr. Gumprich and Mr. Rubin regarding claims and revision of employee claims;

K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
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05/22/12 Review emails exchanged among counsel regarding closing of Town Shoes APA; conferences with Mr. Roos regarding same;

K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
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05/22/12 Attend to closing matters;

S.C. Custodio	Associate	0.30 hrs.	\$ 365.00/hr	\$ 109.50
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05/22/12 Emails from Mr. Martin and Mr. Crabtree regarding landlord claims and Town APA closing;

Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
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05/23/12 Email from Mr. Martin regarding claims process and issues with respect to debenture holders and other claimants; email to Mr. Martin and Ms. Tickle regarding same;

K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
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05/23/12 Emails from Mr. Martin, Mr. Jackson and Mr. Rubin regarding return to creditors (including debenture holders); discussion with Mr. Jackson regarding opinion with respect to debentures;

Page 6

Matter #: 285937.00003
Invoice #: 654950

Re: Sterling Shoes

Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
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Re: Sterling Shoes

Our Fees	\$ 11,125.00
HST	1,335.00
	<hr/>
Total Taxes on Fees	\$ 1,335.00
	<hr/>
Total Fees Including Taxes	<u><u>\$ 12,460.00</u></u>

Disbursements

Taxable

04/26/12	Title Searches/Court filings/Cert. Copies/ DYE DURHAM/ 5656756/ COURT SERVICES	13.75
05/02/12	Lasercopy	78.00
05/02/12	Lasercopy	28.40
05/03/12	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/22/22	8.80
05/03/12	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/22/22	8.80
05/04/12	Lasercopy	10.00
05/04/12	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5662856/COURT SERVICES	13.75
05/04/12	Photocopies	0.40
05/04/12	Photocopies	0.40
05/04/12	Document Scan	10.00
05/07/12	Lasercopy	1.20
05/07/12	Lasercopy	40.40
05/07/12	Lasercopy	56.40
05/08/12	Lasercopy	4.40
05/09/12	Postage	1.29
05/10/12	Lasercopy	0.40
05/14/12	Lasercopy	43.20
05/15/12	Lasercopy	71.60
05/15/12	Lasercopy	3.60
05/16/12	Lasercopy	0.80
05/16/12	Lasercopy	9.20
05/16/12	Lasercopy	10.80
05/17/12	Lasercopy	6.80
05/18/12	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.80
05/18/12	Lasercopy	8.00
05/22/12	Fax Kiran J. Dhillon 1137 07:31 (CPP) 18779097038	1.25
05/22/12	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/2/2	0.80

Re: Sterling Shoes

05/22/12	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/1/1	0.40
05/22/12	Lasercopy	1.60
05/23/12	Lasercopy	0.80
05/25/12	Lasercopy	0.80
05/29/12	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/4/4	1.60
Total Disbursements		438.44
HST		52.64
Total Taxes on Disbursements		\$ 52.64
Total Disbursements Including Taxes		\$ 491.08
Total Fees, Disbursements and Taxes		CAD \$ 12,951.08

Tax Summary

HST	1,387.64
Total Taxes Included in This Bill	1,387.64

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: June 20, 2012
Matter #: 285937.00003
Invoice #: 654950
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 05/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 11,125.00
Total Disbursements	438.44
Total Taxes	<u>1,387.64</u>
Total Amount Owning This Bill	<u>CAD \$ 12,951.08</u>

Tax Summary

HST	<u>1,387.64</u>
Total Taxes Included in This Bill	<u><u>1,387.64</u></u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: July 9, 2012
Matter #: 285937.00003
Invoice #: 657943
HST #: 87937 6127 RT0003

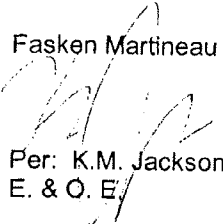
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 06/30/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 9,868.00
Total Disbursements	100.82
Total Taxes	1,196.26
Total Amount Owning This Bill	<u>CAD \$ 11,165.08</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

05/16/12	Emails with Mr. Jackson and Mr. Custudio. Review and provide comments on Joint Direction to Monitor of the Deposit Amount and Receipt of Monitor of Escrow Amount. Emails with Mr. Kim.	Nicholas A. Roos	Associate	1.70 hrs.	\$ 260.00/hr	\$ 442.00
05/18/12	Draft Monitor's Direction to Pay, Monitor's Vesting Order Certificate and Monitor's Contract Certificate. Circulate to Ms. Keilty and Mr. Martin for review and comment. Phone call and emails with Mr. Kim regarding method and mechanics of payout. Phone call and emails with Mr. Kim regarding timing for withdrawal of funds from investment account. Confer with Ms. Dhillon and Mr. Jackson. Prepare for funding on Monday. Revise Direction to Pay and forward finalized document to Mr. Martin for execution. Circulate executed direction to Blakes. Review Blakes comments to Certificates, consider changes and finalize documents.	Nicholas A. Roos	Associate	4.10 hrs.	\$ 260.00/hr	\$ 1,066.00
05/22/12	Attend to closing. Phone calls and emails with Mr. Kim and Ms. Keilty. Emails with Ms. Hui and Ms. Dhillon re: trust cheque to pay out deposit funds. Email with Mr. Jackson and Mr. Custudio re: rental arrears for various locations. Emails and phone calls with Mr. Kim and Ms. Keilty re: interest accrued on deposit amount and final amount of payout.	Nicholas A. Roos	Associate	3.60 hrs.	\$ 260.00/hr	\$ 936.00
06/01/12	Emails with Mr. Jackson regarding status of opinion with respect to debenture;	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
06/05/12	Conference with Ms. Tickle regarding opinion with respect to claims of bondholders;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
06/05/12	Drafting memo regarding debenture holders' claims; reviewing file, and indemnity and partnership documents for purposes of same; reading regarding factors with respect to substantive consolidation; email from Mr. Crabtree attaching draft documents regarding application for extension of stay, and reviewing same;	Vicki Tickle	Associate	6.60 hrs.	\$ 360.00/hr	\$ 2,376.00
06/06/12	Review draft materials in support of application for extension of stay and comments by Ms. Tickle with respect to same; email to Ms. Tickle with respect to same;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
06/06/12	Drafting memo regarding debenture holder claims and priority of same; reading and research regarding liability of limited partner for liabilities of limited partnership; emails with Mr. Jackson regarding comments on company's draft application materials; email to Mr. Crabtree regarding same; emails with Mr. Martin and Mr. Jackson regarding draft memo with respect to debenture holder claims;	Vicki Tickle	Associate	3.40 hrs.	\$ 360.00/hr	\$ 1,224.00

Re: Sterling Shoes

06/07/12	Email from Mr. Crabtree regarding extension materials and conference with Ms Tickle regarding status; J.F. Grieve Partner 0.20 hrs. \$ 700.00/hr \$ 140.00
06/07/12	Review and draft amendments to draft opinion prepared by Ms. Tickle with respect to claims of debenture holders; conference with Ms. Tickle regarding same; teleconference with Ms. Tickle and Mr. Martin to discuss same; K.M. Jackson Partner 0.90 hrs. \$ 450.00/hr \$ 405.00
06/07/12	Email from and discussion with Mr. Jackson regarding draft opinion with respect to debenture holder claims; reviewing same; emails with Mr. Martin regarding draft opinion, and conference call with Mr. Martin and Mr. Jackson regarding same; email from Mr. Crabtree attaching company application materials; Vicki Tickle Associate 1.20 hrs. \$ 360.00/hr \$ 432.00
06/11/12	Preliminary review of draft monitor's seventh report; review email from Mr. Rubin attaching comments with respect to same; K.M. Jackson Partner 0.60 hrs. \$ 450.00/hr \$ 270.00
06/11/12	Email from Ms Gauthier regarding timing of distribution to creditors; email to Mr. Jackson regarding same; emails from Mr. Beveridge, Mr. Jackson, Mr. Rubin, Mr. Gumprich and Mr. Martin regarding Monitor's draft report; Vicki Tickle Associate 0.30 hrs. \$ 360.00/hr \$ 108.00
06/12/12	Email from Mr. Jackson regarding Monitor's 7th report and review same; J.F. Grieve Partner 0.30 hrs. \$ 700.00/hr \$ 210.00
06/12/12	Review and draft amendments to monitor's seventh report; email same to Mr. Martin and Mr. Beveridge with comments; emails exchanged with counsel for company and Mr. Martin regarding disclosure with respect to recoveries of creditors of parent company; K.M. Jackson Partner 2.10 hrs. \$ 450.00/hr \$ 945.00
06/12/12	Emails from Mr. Gumprich, Mr. Jackson and Mr. Martin regarding draft Monitor's 7th report; emails from Mr. Martin and Mr. Jackson regarding service of final Monitor's 7th report; emails with Mr. Jackson regarding response to Ms Gauthier; email to Ms Gauthier regarding timing of distribution to creditors; Vicki Tickle Associate 0.30 hrs. \$ 360.00/hr \$ 108.00
06/13/12	Reviewing Monitor's 7th report and claims process order; discussion with Ms. Volkow regarding pleadings; preparing for hearing of application for extension of stay; Vicki Tickle Associate 1.40 hrs. \$ 360.00/hr \$ 504.00
06/14/12	Conferences with Ms. Tickle in preparation for attendance at chambers on application for extension of stay; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00

Re: Sterling Shoes

06/14/12	Appearing on hearing before Mr. Justice Pearlman of application for extension of stay; discussions with Mr. Jackson regarding same;				
	Vicki Tickle	Associate	0.80 hrs.	\$ 360.00/hr	\$ 288.00
06/18/12	Emails with Mr. Powell regarding June 14, 2012 order; email to Mr. Langlois and Mr. Rubin regarding same;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
06/19/12	Email from Mr. Crabtree attaching entered June 14 Order;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
06/25/12	Email from Mr. Jackson regarding lease disclaimer notices;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00

Re: Sterling Shoes

Our Fees

HST

\$ 9,868.00

1,184.16

Total Taxes on Fees

\$ 1,184.16

Total Fees Including Taxes

\$ 11,052.16**Disbursements**Taxable

06/05/12	Lasercopy	2.00
06/06/12	Lasercopy	0.40
06/07/12	Lasercopy	4.00
06/07/12	Lasercopy	0.80
06/07/12	Lasercopy	3.60
06/13/12	Lasercopy	7.20
06/13/12	Lasercopy	52.40
06/13/12	Title Searches/Court filings/Cert. Copies/ DYE DURHAM/ 5686618/ COURT SERVICES	13.75
06/19/12	Lasercopy	4.80
06/21/12	Lasercopy	2.00
06/22/12	Tabs	3.75
06/26/12	Telephone Charges - Paid To: DIALOGUE CONFERENCING INC. / CONFERENCE CALLS/ 611/ 12JUN/ VVT/ 18002	6.12

Total Disbursements

100.82

HST

12.10

Total Taxes on Disbursements

\$ 12.10

Total Disbursements Including Taxes

\$ 112.92**Total Fees, Disbursements and Taxes****CAD \$ 11,165.08****Tax Summary**

HST

1,196.26

Total Taxes Included in This Bill

1,196.26

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: August 10, 2012
Matter #: 285937.00003
Invoice #: 665026
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 07/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 1,834.00
Total Disbursements	59.60
Total Taxes	227.24
Total Amount Owing This Bill	<u>CAD \$ 2,120.84</u>

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

07/11/12	Review letter from Torys to Blakes regarding funding of payment for services of Mr. Alves; conference with Ms. Tickle regarding same; emails exchanged with Mr. Beveridge regarding same;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
07/11/12	Emails and discussions with Mr. Jackson, and email from Mr. Beveridge, regarding correspondence from Tory's with respect to Mr. Alves; reviewing same and Town Shoes APA;				
	Vicki Tickle	Associate	0.90 hrs.	\$ 360.00/hr	\$ 324.00
07/12/12	Emails exchanged with Mr. Martin and Ms. Keilty regarding resolution of issue with respect to Mr. Alves; review letter from Torys regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
07/12/12	Email from Mr. Jackson forwarding letter from Tory's regarding Mr. Alves and reviewing same;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
07/20/12	Voice message and email from, and telephone call with, Mr. Powell regarding delivery of notices of disallowance to disclaimed landlords;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
07/21/12	Emails exchanged with Mr. Lee and Mr. Martin regarding extension of time for final reconciliation under APA;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
07/29/12	Review closing statement delivered by Town Shoes; emails exchanged with Mr. Martin regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
07/30/12	Teleconference with Mr. Martin and Mr. Beveridge regarding issues with respect to working capital adjustment and Town Shoes generally; consider issues with respect to same;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
07/31/12	Conference with Mr. Jackson regarding working capital adjustment dispute; e-mails and telephone call from Mr. Beveridge regarding same;				
	A.I. Nathanson	Partner	0.70 hrs.	\$ 460.00/hr	\$ 322.00
07/31/12	Conference with Mr. Nathanson regarding dispute with respect to working capital balance sheet calculations; emails exchanged with Mr. Martin and Mr. Beveridge regarding same;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00

Re: Sterling Shoes

Our Fees

HST

\$ 1,834.00

220.08

Total Taxes on Fees

\$ 220.08

Total Fees Including Taxes

\$ 2,054.08

Disbursements

Taxable

07/10/12 Lasercopy
07/11/12 Lasercopy
07/31/12 Lasercopy

0.40

56.40

2.80

Total Disbursements

59.60

HST

7.16

Total Taxes on Disbursements

\$ 7.16

Total Disbursements Including Taxes

\$ 66.76

Total Fees, Disbursements and Taxes

CAD \$ 2,120.84

Tax Summary

HST

227.24

Total Taxes Included in This Bill

227.24

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: August 10, 2012
Matter #: 285937.00003
Invoice #: 665026
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 07/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 1,834.00
Total Disbursements	59.60
Total Taxes	227.24
Total Amount Owning This Bill	<u>CAD \$ 2,120.84</u>

Tax Summary

HST	227.24
Total Taxes Included in This Bill	<u>227.24</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: September 12, 2012
Matter #: 285937.00003
Invoice #: 671355
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 08/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 2,081.00
Total Disbursements	71.60
Total Taxes	258.31
Total Amount Owing This Bill	CAD \$ 2,410.91

Fasken Martineau DuMoulin LLP

Per: K.M./Jackson
E. & O. E

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

08/01/12	Telephone call from and conference with Mr. Beveridge regarding interpretation of provisions of Sterling APA regarding inventory valuation; A.I. Nathanson Partner 0.60 hrs. \$ 460.00/hr \$ 276.00
08/01/12	Prepare for and attend at meeting with Mr. Beveridge and Mr. Nathanson regarding dispute with respect to closing date statement; K.M. Jackson Partner 0.70 hrs. \$ 450.00/hr \$ 315.00
08/02/12	Consider inventory valuation issue and email to Mr. Beveridge regarding same; A.I. Nathanson Partner 0.50 hrs. \$ 460.00/hr \$ 230.00
08/02/12	Emails exchanged with Mr. Nathanson and Mr. Beveridge regarding closing balance calculation issue; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00
08/08/12	Review email from Mr. Beveridge regarding claim of CRA; emails exchanged with Mr. Beveridge and Mr. Rubin regarding same; review email from Mr. Gumprich attaching dispute notice with respect to closing date statement; review same; K.M. Jackson Partner 0.80 hrs. \$ 450.00/hr \$ 360.00
08/09/12	Prepare for and attend on teleconference with clients and Mr. Rubin regarding CRA claim and dealings with landlords; K.M. Jackson Partner 0.90 hrs. \$ 450.00/hr \$ 405.00
08/21/12	Review settlement offer from Town Shoes forwarded by Mr. Martin; emails exchanged with Mr. Martin regarding same; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00
08/28/12	Review and draft amendments to draft settlement offer with landlords to be delivered by counsel for Sterling; emails exchanged with Mr. Martin and Mr. Beveridge regarding same; K.M. Jackson Partner 0.50 hrs. \$ 450.00/hr \$ 225.00
08/31/12	Telephone conversation with Mr. Martin regarding issues with respect to CFO and means by which to resolve same; K.M. Jackson Partner 0.20 hrs. \$ 450.00/hr \$ 90.00

Re: Sterling Shoes

Our Fees	\$ 2,081.00
HST	249.72
Total Taxes on Fees	<u>\$ 249.72</u>
Total Fees Including Taxes	<u><u>\$ 2,330.72</u></u>
Disbursements	
<u>Taxable</u>	
08/01/12 Lasercopy	71.60
Total Disbursements	<u>71.60</u>
HST	8.59
Total Taxes on Disbursements	<u>\$ 8.59</u>
Total Disbursements Including Taxes	<u><u>\$ 80.19</u></u>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 2,410.91</u></u>
Tax Summary	
HST	<u>258.31</u>
Total Taxes Included in This Bill	<u><u>258.31</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 - 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: October 9, 2012
Matter #: 285937.00003
Invoice #: 677898
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 09/30/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 6,140.50
Total Disbursements	1.60
Total Taxes	737.05
Total Amount Owing This Bill	<u>CAD \$ 6,879.15</u>

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

09/04/12	Review draft settlement letter prepared by Sterling for delivery to Town Shoes; email to Mr. Martin with comments with respect to same;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
09/05/12	Prepare for and attend at meeting with client and counsel for Sterling regarding issues with respect to landlords, retention of CFO and other matters; emails exchanged with Mr. Rubin regarding contract of CFO and security for unpaid vacation pay;	K.M. Jackson	Partner	1.80 hrs.	\$ 450.00/hr	\$ 810.00
09/06/12	Emails from and telephone conversation with Mr. Rubin regarding severance claim of Mr. Gumpnich; telephone conversation with Mr. Martin regarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
09/07/12	Emails exchanged and telephone conversations with Mr. Rubin and Mr. Martin regarding employment agreement of Mr. Gumpnich; review draft settlement agreement with respect to Town Shoes claim; emails exchanged with client and with counsel for Sterling regarding same;	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
09/09/12	Email from Ms. Keilty with additional comments on settlement agreement with Town Shoes and responding to comments from writer;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/10/12	Review draft settlement letter with Town Shoes circulated by Ms. Kielty; email to Ms. Kielty attaching marked up copy of same with comments;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
09/12/12	Review amended draft of settlement agreement circulated by counsel for Town; emails exchanged with Ms. Keilty and Mr. Martin regarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
09/13/12	Emails exchanged with Ms. Keilty and Mr. Martin regarding Town Shoes settlement;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/14/12	Emails exchanged with Ms. Keilty and Mr. Martin regarding communications with counsel for Town Shoes relating to settlement of claims;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/18/12	Emails exchanged and voicemail from Mr. Martin regarding communications with Mr. Alves relating to termination of employment; review email from Mr. Alves regarding same; voicemail from Ms. Urquhart regarding claims of landlords and settlement of same;	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00

Re: Sterling Shoes

09/19/12	Telephone conversation with Mr. Martin and Mr. Beveridge regarding estimated distributions and communications with counsel for landlords regarding same; telephone conversations with Mr. Rubin, Mr. Milman and Ms. Urquhart regarding same; emails exchanged with Mr. Martin regarding operation of asset purchase agreement and payment of funds by monitor to Mr. Alves;	K.M. Jackson	Partner	1.30 hrs.	\$ 450.00/hr	\$ 585.00
09/20/12	Emails exchanged with Mr. Martin regarding letter agreement with Mr. Alves; emails exchanged with Mr. Jones regarding same;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/21/12	Email from Mr. Jackson enclosing employment letter; review the same and consider issues; telephone call with Mr. Jackson discussing; email to Mr. Jackson proposing language revisions;	C.A. Jones	Partner	0.70 hrs.	\$ 385.00/hr	\$ 269.50
09/23/12	Email from Mr. Jones and to Mr. Martin and Mr. Beveridge regarding amendments to employment letter; emails exchanged with Mr. Martin regarding timing for next monitor's report;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/24/12	Emails regarding employment agreement;	C.A. Jones	Partner	0.30 hrs.	\$ 385.00/hr	\$ 115.50
09/24/12	Emails exchanged with Mr. Martin and Ms. Urquhart regarding timing for monitor's report; email to Mr. Rubin forwarding comments by Mr. Jones with respect to Gumprich employment agreement;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/25/12	Emails exchanged with counsel for Sterling and with client regarding release of funds from monitor's account pursuant to purchase agreement;	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
09/26/12	Voice messages from and to, and telephone call with Mr. Powell regarding delivery of Monitor's certificate on closing of Town Shoes transaction; reviewing emails regarding same;	Vicki Tickle	Associate	0.30 hrs.	\$ 360.00/hr	\$ 108.00
09/27/12	Conference with Mr. Jackson regarding repudiation issue; attend conference call; telephone call from counsel for the Company regarding employment issue; conference with Mr. Jackson regarding common employer issue; emails regarding the same;	C.A. Jones	Partner	1.50 hrs.	\$ 385.00/hr	\$ 577.50
09/27/12	Research common employer issue;	C.A. Jones	Partner	1.50 hrs.	\$ 385.00/hr	\$ 577.50

Re: Sterling Shoes

09/27/12	Numerous telephone conversations and emails exchanged with Ms. Keilty and Mr. Martin regarding termination of Mr. Alves; telephone conversations and emails exchanged with Mr. Jones regarding same; review APA and other materials relating to same;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
09/28/12	Attend conference call; conference with Mr. Jackson; emails from and to regarding termination letter language; emails from and to regarding termination date issue;				
	C.A. Jones	Partner	1.50 hrs.	\$ 385.00/hr	\$ 577.50
09/28/12	Prepare for and attend on teleconference with Blakes and Mr. Jones to discuss termination of Mr. Alves and issues relating to same; telephone conversations and emails exchanged with Mr. Martin regarding same; emails exchanged with Blakes, Mr. Jones and client regarding same;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00

Re: Sterling Shoes

Our Fees

HST

\$ 6,140.50

736.86

Total Taxes on Fees

\$ 736.86

Total Fees Including Taxes

\$ 6,877.36

Disbursements

Taxable

09/10/12 Document Scan /VAN - 1c1s 27th
Floor Xerox 5775 B/1/1

0.40

09/10/12 Lasercopy

1.20

Total Disbursements

1.60

HST

0.19

Total Taxes on Disbursements

\$ 0.19

Total Disbursements Including Taxes

\$ 1.79

Total Fees, Disbursements and Taxes

CAD \$ 6,879.15

Tax Summary

HST

737.05

Total Taxes Included in This Bill

737.05

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 - 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: November 13, 2012
Matter #: 285937.00003
Invoice #: 685584
HST #: 87937 6127 RT0003

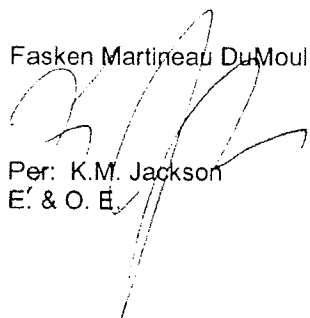
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 10/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 9,456.00
Total Disbursements	58.80
Total Taxes	<u>1,141.78</u>
Total Amount Owning This Bill	<u>CAD \$ 10,656.58</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

10/01/12	Emails regarding termination letter; C.A. Jones Partner	0.20 hrs.	\$ 385.00/hr	\$ 77.00
10/03/12	Email from Trial Division and email to client regarding timing for next hearing and report; K.M. Jackson Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
10/04/12	Review, consider and revise affidavit in support of extending the stay; Danielle R. Toigo Associate	0.50 hrs.	\$ 280.00/hr	\$ 140.00
10/04/12	Prepare for and attend at meeting with client, Mr. Gumprich and counsel for Sterling regarding outstanding issues, including landlord claims, extension of stay and resolution of dispute with Town; K.M. Jackson Partner	1.20 hrs.	\$ 450.00/hr	\$ 540.00
10/05/12	Email from Mr. Rubin regarding extension application and material; email to Mr. Jackson regarding same; J.F. Grieve Partner	0.30 hrs.	\$ 700.00/hr	\$ 210.00
10/05/12	Review and draft amendments to draft affidavit of Mr. Gumprich; email to Mr. Rubin and Mr. Crabtree attaching amended version of same; telephone conversation with foregoing persons regarding same; emails exchanged with Mr. Beveridge and Mr. Martin regarding letter to landlords; instructions to Ms. Volkow regarding same; emails exchanged with Mr. Martin and Mr. Beveridge regarding signing authority with respect to cheques; K.M. Jackson Partner	0.90 hrs.	\$ 450.00/hr	\$ 405.00
10/05/12	Review email from Mr. Beveridge regarding form to be prepared for delivery to landlords in respect of additional information required; prepare form; conference with Mr. Jackson regarding same; email to Mr. Beveridge and Mr. Martin attaching same for review; S. Volkow Secretary	1.30 hrs.	\$ 200.00/hr	\$ 260.00
10/05/12	Email from Mr. Crabtree attaching materials regarding application for extension of stay, and reviewing same; Vicki Tickle Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
10/06/12	Emails with Mr. Grieve, Mr. Jackson and Mr. Martin regarding draft Monitor's report; Vicki Tickle Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
10/08/12	Email from Mr. Jackson and email from Ms Tickle regarding report; J.F. Grieve Partner	0.20 hrs.	\$ 700.00/hr	\$ 140.00
10/08/12	Reviewing and revising draft Monitor's report;			

Re: Sterling Shoes

	Vicki Tickle	Associate	2.20 hrs.	\$ 360.00/hr	\$ 792.00
10/09/12	Email from Ms Tickle regarding eighth report and conference with Ms Tickle regarding status;				
	J.F. Grieve	Partner	0.20 hrs.	\$ 700.00/hr	\$ 140.00
10/09/12	Review and draft amendments to monitor's eighth report; emails exchanged and telephone conversations with Mr. McCallum regarding same; review suggested amendments of Mr. Gumprich and Blakes pertaining to same; email to Trial Division delivering copy of report to Mr. Justice Pearlman;				
	K.M. Jackson	Partner	2.70 hrs.	\$ 450.00/hr	\$ 1,215.00
10/09/12	Emails and discussions with Mr. Jackson, and email from Mr. Rubin, regarding draft eighth Monitor's report; email from Mr. Gumprich regarding comments on draft report; emails from Mr. Jackson and Mr. Martin regarding service of Monitor's report; email to service list attaching Monitor's eighth Report by way of service; email from Mr. Jackson regarding same;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 360.00/hr	\$ 180.00
10/10/12	Conference with Mr. Duvall regarding vacation pay in event of severance; email to client regarding same; review Blakes comments and additional comments from Mr. Beveridge with respect to letter to landlords requesting additional information; emails exchanged and telephone conversation with Mr. Beveridge regarding same; review letter from Segal in response to settlement offer from Blakes; review email from Mr. Martin regarding conversation with representative of SICA; emails exchanged with Mr. Martin regarding delivery of claims package to Mr. Alves;				
	K.M. Jackson	Partner	2.00 hrs.	\$ 450.00/hr	\$ 900.00
10/10/12	Emails from Mr. Martin and Mr. Rubin regarding possible interim distribution to creditors; emails from Ms Buttery and Mr. Rubin regarding directors;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 360.00/hr	\$ 72.00
10/11/12	Prepare for and attend at chambers on application for extension of stay; emails exchanged with Mr. Martin regarding claim of Mr. Alves;				
	K.M. Jackson	Partner	1.40 hrs.	\$ 450.00/hr	\$ 630.00
10/12/12	Review emails from Mr. Crabtree, Mr. Martin and Mr. Rubin regarding claims of Cadillac Fairview group;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
10/15/12	Emails exchanged with Mr. Beveridge regarding proposal by Blakes with respect to settlement with Cadillac Fairview;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
10/15/12	Email from Mr. Crabtree attaching entered stay extension order;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
10/16/12	Emails exchanged and telephone conversation with Mr. Beveridge regarding				

Re: Sterling Shoes

	response to claim submitted by Mr. Alves and settlement to be proposed by Sterling with Cadillac Fairview;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
10/18/12	Telephone conversation with Mr. Beveridge regarding communication with Mr. Segal with respect to proof of claim;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
10/22/12	Emails exchanged and telephone conversations with Mr. Crabtree, Mr. Rubin and Mr. Beveridge regarding email from Mr. Alves and proposal for dealing with same; draft email for Mr. Beveridge to deliver to Mr. Alves regarding same;				
	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
10/24/12	Emails exchanged with Mr. Beveridge regarding settlement with Town and release of Monitor;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
10/25/12	Review draft settlement agreement between Town and Sterling; emails exchanged with Mr. Martin and Mr. Beveridge regarding same and release of Monitor;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
10/26/12	Emails exchanged with client, Blakes and Ms. Galassiere regarding landlord claims and mitigation issues as well as process for resolving same; emails exchanged with client and Blakes regarding settlement with Town Shoes;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
10/27/12	Review email from Mr. Beveridge attaching proof of claim documents from counsel for Mr. Alves; emails to Mr. Beveridge and others concerning same; emails exchanged with Ms. Galasierre regarding landlord claims and scheduling conference call regarding same;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
10/29/12	Email from Mr. Jackson enclosing Alves claim materials; review the same;				
	C.A. Jones	Partner	1.30 hrs.	\$ 385.00/hr	\$ 500.50
10/29/12	Review particulars of proof of claim forwarded by Mr. Beveridge; emails exchanged with Mr. Beveridge and telephone conversations with Mr. Rubin regarding review of same; email to Mr. Jones regarding same;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
10/30/12	Conference with Mr. Jackson regarding Alves claim;				
	C.A. Jones	Partner	0.50 hrs.	\$ 385.00/hr	\$ 192.50
10/30/12	Telephone conversation with Ms. Galassiere regarding claims of landlords and issues with respect to mitigation; conference with Mr. Jones regarding claim of Mr. Alves and possible defences to same;				
	K.M. Jackson	Partner	0.90 hrs.	\$ 450.00/hr	\$ 405.00

Re: Sterling Shoes

10/31/12	Telephone call with client discussing Alves matter; telephone call with counsel for Mr. Alves; update Mr. Jackson regarding the same;			
C.A. Jones	Partner	0.80 hrs.	\$ 385.00/hr	\$ 308.00
10/31/12	Teleconference with Mr. Jones and Mr. Beveridge regarding claim of Mr. Alves; further emails exchanged with Mr. Beveridge regarding same; emails exchanged with Mr. Beveridge and Ms. Galassiere regarding additional landlord claims;			
K.M. Jackson	Partner	1.10 hrs.	\$ 450.00/hr	\$ 495.00

Re: Sterling Shoes

Our Fees

HST

\$ 9,456.00

1,134.72

Total Taxes on Fees

\$ 1,134.72

Total Fees Including Taxes

\$ 10,590.72

Disbursements

Taxable

10/04/12	Lasercopy	0.80
10/05/12	Lasercopy	5.20
10/07/12	Lasercopy	6.40
10/09/12	Lasercopy	7.60
10/10/12	Lasercopy	8.00
10/29/12	Lasercopy	30.80

0.80

5.20

6.40

7.60

8.00

30.80

Total Disbursements

58.80

HST

7.06

Total Taxes on Disbursements

\$ 7.06

Total Disbursements Including Taxes

\$ 65.86

Total Fees, Disbursements and Taxes

CAD \$ 10,656.58

Tax Summary

HST

1,141.78

Total Taxes Included in This Bill

1,141.78

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: December 17, 2012
Matter #: 285937.00003
Invoice #: 694436
HST #: 87937 6127 RT0003

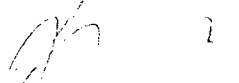
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 11/30/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 12,019.50
Total Disbursements	73.24
Total Taxes	1,451.12
Total Amount Owning This Bill	<u>CAD \$ 13,543.86</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

11/01/12	Conference call with client discussing merits and options for proceeding forward; email to counsel for Mr. Alves trying to set up call for Friday; prepare draft email setting out strongest arguments against claim;	C.A. Jones	Partner	2.40 hrs.	\$ 385.00/hr	\$ 924.00
11/01/12	Teleconference with Mr. Jones and Mr. Martin regarding claim of Mr. Alves and strategy for dealing with same; review emails from Mr. Beveridge and Ms. Galassiere regarding additional information to be provided by landlords;	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
11/02/12	Continue preparing email to Mr. Jackson; send email; instructions to Mr. Edstrom regarding Colak case; conference with Mr. Edstrom regarding the same; email from Mr. Jackson regarding arguments; email to client regarding arguments; email from Mr. Martin with comments regarding argument; consider issues raised by Mr. Martin; email to Mr. Martin regarding the same; email from counsel for Mr. Alves regarding call; emails to and from regarding the same; emails from and to regarding D&O issue; review document; conferences with Mr. Edstrom regarding Colak case research;	C.A. Jones	Partner	2.50 hrs.	\$ 385.00/hr	\$ 962.50
11/02/12	Receive instructions from Mr. Jones; research regarding common employer doctrine; draft memorandum regarding the same;	Colin J. Edstrom	Associate	4.10 hrs.	\$ 260.00/hr	\$ 1,066.00
11/02/12	Review draft email prepared by Mr. Jones with respect to defences to claim of Mr. Alves; emails exchanged with Mr. Martin regarding same; review insurance policy for directors and officers and impact of same on claim of Mr. Alves; review email from Mr. Beveridge regarding landlord claims;	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
11/05/12	Review memorandum and cases prepared/compiled by Mr. Edstrom concerning common employer issue and Colak case; further instructions to Mr. Edstrom regarding Ontario case; emails to and from regarding call with counsel for Mr. Alves; conference with Mr. Edstrom regarding Dumbrell case; review the same;	C.A. Jones	Partner	1.80 hrs.	\$ 385.00/hr	\$ 693.00
11/05/12	Instructions from Mr. Jones; follow-up on research memorandum; discuss with Mr. Jones;	Colin J. Edstrom	Associate	2.40 hrs.	\$ 260.00/hr	\$ 624.00
11/06/12	Emails from and to counsel for Mr. Alves regarding call;	C.A. Jones	Partner	0.30 hrs.	\$ 385.00/hr	\$ 115.50
11/06/12	Emails exchanged with Mr. Jones regarding conference with counsel for Mr. Alves; telephone conversation with Mr. Martin regarding claim of Mr. Alves;					

Re: Sterling Shoes

	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
11/07/12	Telephone call from counsel for Mr. Alves regarding rescheduling of call; review materials in advance of call; conference call with counsel for Mr. Alves discussing process and claim;				
	C.A. Jones	Partner	0.80 hrs.	\$ 385.00/hr	\$ 308.00
11/07/12	Prepare for and attend on teleconference with Mr. Jones and Mr. Yeager regarding claim of Mr. Alves and issues relating to same; emails exchanged with Ms. Galassiere regarding delivery of materials in respect of claim of 20 Vic and Oxford landlords;				
	K.M. Jackson	Partner	1.10 hrs.	\$ 450.00/hr	\$ 495.00
11/08/12	Email from Mr. Jackson enclosing Notice of Disallowance form; review and conference with Mr. Jackson regarding the same; prepare Appendix to go with Notice; email to Mr. Jackson enclosing the same;				
	C.A. Jones	Partner	2.00 hrs.	\$ 385.00/hr	\$ 770.00
11/08/12	Telephone conversation with Mr. Beveridge regarding process for providing disallowance to counsel for Mr. Alves; conference with Mr. Jones regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
11/09/12	Review and revise Notice prepared by Mr. Jackson; email to Mr. Jackson regarding the same; further emails;				
	C.A. Jones	Partner	0.60 hrs.	\$ 385.00/hr	\$ 231.00
11/09/12	Prepare notice of revision of disallowance and draft amendments to schedule to same prepared by Mr. Jones; email to Mr. Beveridge and Mr. Martin attaching same for review and comments;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 450.00/hr	\$ 450.00
11/13/12	Conference with Mr. Jackson regarding relocation allowance issue;				
	C.A. Jones	Partner	0.20 hrs.	\$ 385.00/hr	\$ 77.00
11/13/12	Telephone conversation with Mr. Beveridge regarding amendments to notice of disallowance of claim of Mr. Alves; conference with Mr. Jones regarding same; draft amendments to same;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
11/14/12	Email regarding relocation allowance issue;				
	C.A. Jones	Partner	0.10 hrs.	\$ 385.00/hr	\$ 38.50
11/14/12	Review draft affidavit and settlement agreement circulated by Mr. Crabtree; email to Mr. Beveridge with comments on same; email from Ms. Galassiere attaching additional claim information for Oxford properties;				
	K.M. Jackson	Partner	0.60 hrs.	\$ 450.00/hr	\$ 270.00
11/15/12	Review email from Mr. Martin attaching letters from company to Mr. Alves;				

Re: Sterling Shoes

	conference with Mr. Martin in advance of meeting with company counsel and Mr. Gumpich regarding landlord claims and interim distribution application; attend at conference with foregoing persons;				
	K.M. Jackson	Partner	1.90 hrs.	\$ 450.00/hr	\$ 855.00
11/19/12	Telephone conversations with Mr. Beveridge and Mr. Martin regarding claim of Mr. Alves and draft notice of disallowance; telephone conversation with Mr. Rubin regarding same;				
	K.M. Jackson	Partner	0.90 hrs.	\$ 450.00/hr	\$ 405.00
11/20/12	Emails exchanged with Mr. Beveridge regarding outstanding landlord information; update notice of revision and disallowance for Mr. Alves; email same to Mr. Rubin with comments; emails exchanged and telephone conversations with Mr. Martin regarding communications with Mr. Anidjar;				
	K.M. Jackson	Partner	0.50 hrs.	\$ 450.00/hr	\$ 225.00
11/21/12	Emails exchanged with Mr. Martin and email from Mr. Anidjar regarding interim distributions;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
11/23/12	Emails exchanged with Mr. Rubin regarding delivery of notice of disallowance to Mr. Alves; draft amendments to same and forward same to Mr. Martin and Mr. Beveridge; review email from Mr. Rubin attaching settlement with landlord of head office; email to Mr. Rubin regarding same; emails exchanged with Mr. Beveridge and Ms. Galassiere regarding delivery of additional information from landlords;				
	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
11/26/12	Emails exchanged with Mr. Beveridge and Ms. Galassiere regarding delivery of information from landlords at additional locations;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
11/27/12	Emails exchanged with Ms. Galassiere regarding delivery of additional information for premises; emails from Mr. Martin and Mr. Rubin regarding extension of stay of proceedings and application for interim distribution;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
11/28/12	Emails exchanged with Mr. Beveridge regarding landlord analysis and meeting with respect to same; telephone message from and telephone conversation with Mr. Beveridge regarding upcoming application and potential for further application regarding enhancing monitor's powers;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
11/29/12	Review memorandum on landlord claims circulated by Mr. Beveridge; telephone conversation with counsel for Mr. Alves regarding disallowance of claim and process for resolving same;				
	K.M. Jackson	Partner	0.90 hrs.	\$ 450.00/hr	\$ 405.00
11/30/12	Prepare for and attend at meeting with Mr. Martin, Mr. Beveridge and Blakes				



age 5

Matter #: 285937.00003

Invoice #: 694436

a: **Sterling Shoes**

regarding outstanding landlord claims, employee claims and strategy with respect to resolution of administration, including by enhancement of monitor's powers; research regarding WEPPA claims and rights of employees with respect to severance pay; email to foregoing persons with respect to same;

K.M. Jackson	Partner	2.80 hrs.	\$ 450.00/hr	\$ 1,260.00
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Re: Sterling Shoes

Our Fees

HST

\$ 12,019.50

1,442.34

Total Taxes on Fees

\$ 1,442.34

Total Fees Including Taxes

\$ 13,461.84

Disbursements

Taxable

11/02/12	Lasercopy	3.20
11/02/12	Lasercopy	9.20
11/02/12	Quicklaw Searches QUICKLAW SERVICE/SINGLE DOCUMENT RETRIEVAL/EDSTROM, COLIN/18092-285937.00003	25.52
11/05/12	Quicklaw Searches QUICKLAW SERVICE/SINGLE DOCUMENT RETRIEVAL/EDSTROM, COLIN/18092-285937.00003	9.72
11/05/12	Lasercopy	25.60

Total Disbursements

73.24

HST

8.78

Total Taxes on Disbursements

\$ 8.78

Total Disbursements Including Taxes

\$ 82.02

Total Fees, Disbursements and Taxes

CAD \$ 13,543.86

Tax Summary

HST

1,451.12

Total Taxes Included in This Bill

1,451.12

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: January 14, 2013
Matter #: 285937.00003
Invoice #: 699939
HST #: 87937 6127 RT0003

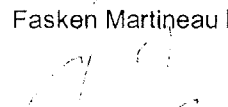
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 12/31/2012 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 9,598.00
Total Disbursements	33.85
Total Taxes	<u>1,155.83</u>
Total Amount Owing This Bill	<u>CAD \$ 10,787.68</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

12/03/12	Telephone conversations with Mr. Rubin regarding claims of employees in bankruptcy and receivership as opposed to in CCAA process; K.M. Jackson Partner 0.30 hrs. \$ 450.00/hr \$ 135.00
12/04/12	Email from Mr. Crabtree regarding payout application; J.F. Grieve Partner 0.20 hrs. \$ 700.00/hr \$ 140.00
12/04/12	Review amended tables calculating claims of landlords in various scenarios; attend on teleconference for meeting with clients, company and Blakes to discuss same and strategy for settling with landlords; review and draft amendments to draft order and affidavit of Mr. Gumprich in support of application for order approving distributions; email same to Mr. Rubin and Mr. Crabtree for review and comments; telephone conversation with Mr. Rubin regarding same; review draft timeline prepared and circulated by Mr. Rubin; K.M. Jackson Partner 2.40 hrs. \$ 450.00/hr \$ 1,080.00
12/04/12	Email from Mr. Crabtree attaching notice of application for approval of distribution(s) to creditors and Mr. Gumprich's affidavit, and reviewing same; Vicki Tickle Associate 0.10 hrs. \$ 360.00/hr \$ 36.00
12/05/12	Review draft distribution calculation circulated by Mr. Beveridge; emails exchanged with Mr. Beveridge and others regarding same; review and begin drafting amendments to ninth report of monitor in support of application for distribution order; K.M. Jackson Partner 1.70 hrs. \$ 450.00/hr \$ 765.00
12/06/12	Finalize review of and drafting amendments to monitor's ninth report; circulate clean and comparison versions of same to client and to Blakes for review and comments; telephone conversation and emails exchanged with Mr. Beveridge and Mr. Martin regarding foregoing; review amended draft of same circulated by Mr. Rubin; telephone message from counsel for Mr. Alves with counter-proposal; emails exchanged with Mr. Beveridge and Mr. Martin regarding same; review draft settlement letters to landlord prepared by Mr. Crabtree as well as facts pertaining to settlement offers with other landlords; emails exchanged with Mr. Crabtree, Mr. Martin and Mr. Beveridge regarding same; K.M. Jackson Partner 3.10 hrs. \$ 450.00/hr \$ 1,395.00
12/07/12	Emails from and to regarding Alves claim matter; C.A. Jones Partner 0.50 hrs. \$ 385.00/hr \$ 192.50
12/07/12	Review and draft further amendments to ninth report of monitor; emails exchanged and telephone conversations with Mr. Beveridge regarding same; attend to service of ninth report on parties of record and deliver same to Mr. Justice Pearlman; teleconference with Mr. Martin and Mr. Beveridge regarding claim of Mr. Alves and resolution of same; numerous emails exchanged with Mr. Martin and Mr. Beveridge

Re: Sterling Shoes

	regarding same; telephone conversation with Mr. Alves regarding same; email to counsel for Mr. Alves to deliver notice of dispute;				
	K.M. Jackson	Partner	1.90 hrs.	\$ 450.00/hr	\$ 855.00
12/07/12	Email from Mr. Jackson attaching Monitor's 9th Report, and reviewing same;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
12/08/12	Emails exchanged with Mr. Beveridge regarding delivery of word version of Notice of Disallowance to counsel for Mr. Alves; email Ninth Report to representative of Computershare;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
12/10/12	Conferences with Mr. Jackson regarding approach; analyse issues and approach;				
	C.A. Jones	Partner	2.00 hrs.	\$ 385.00/hr	\$ 770.00
12/10/12	Telephone conversation with counsel for Mr. Alves, Mr. Martin and Mr. Rubin regarding settlement of claim;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
12/11/12	Emails exchanged with Mr. Crabtree and Mr. Beveridge regarding application for interim distribution order; telephone conversation with Mr. Rubin regarding resolution of claim of Mr. Alves and resolution of landlord claim;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
12/12/12	Prepare for and attend at chambers on application for interim distribution order; emails exchanged and telephone conversations with Mr. Beveridge regarding requests by landlord to late file notice of dispute; emails exchanged and conference with Mr. Rubin regarding acceptance of claim of Mr. Alves; telephone conversation with counsel for Mr. Alves regarding same; draft letter for monitor to deliver to Mr. Alves regarding claim;				
	K.M. Jackson	Partner	3.00 hrs.	\$ 450.00/hr	\$ 1,350.00
12/12/12	Email from Mr. Crabtree attaching entered order authorizing distribution(s) to creditors;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 360.00/hr	\$ 36.00
12/13/12	Emails exchanged with Mr. Martin regarding communications with Mr. Andjar regarding inquiries by Mr. Andjar;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
12/14/12	Emails exchanged with Mr. Beveridge regarding anticipated costs to completion; review email from Mr. Beveridge to Mr. Alves attaching letter confirming resolution of claim;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
12/17/12	Telephone conversation with Ms. Urquhart regarding offer to landlords and status of proceeding generally;				

Re: Sterling Shoes

	K.M. Jackson	Partner	0.30 hrs.	\$ 450.00/hr	\$ 135.00
12/18/12	Emails exchanged and telephone conversation with Mr. Martin regarding communications with Mr. Andijar; emails exchanged with Mr. Martin regarding consulting agreement to be entered into with Mr. Beveridge; conference with Mr. Jones regarding same; review email from Mr. Beveridge regarding status of landlord claims;				
	K.M. Jackson	Partner	0.70 hrs.	\$ 450.00/hr	\$ 315.00
12/19/12	Review email from Mr. Rubin attaching amending agreement to employment contract of Mr. Gumprich; emails exchanged with Mr. Rubin and Mr. Martin regarding same;				
	K.M. Jackson	Partner	0.40 hrs.	\$ 450.00/hr	\$ 180.00
12/21/12	Review emails from counsel for Sterling and counsel for Primeros regarding late delivery of notice of dispute;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
12/23/12	Emails from Mr. Crabtree and counsel for Primaris regarding late filing of Notice of Dispute;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00
12/24/12	Prepare draft Gumprich; consulting agreement;				
	C.A. Jones	Partner	2.00 hrs.	\$ 385.00/hr	\$ 770.00
12/27/12	Emails from and to regarding draft agreement;				
	C.A. Jones	Partner	0.50 hrs.	\$ 385.00/hr	\$ 192.50
12/27/12	Review and draft amendments to consulting agreement prepared by Mr. Jones; circulate same to Mr. Martin and Mr. Beveridge for review and comments;				
	K.M. Jackson	Partner	0.80 hrs.	\$ 450.00/hr	\$ 360.00
12/28/12	Emails exchanged with Mr. Beveridge regarding status of landlord claims and acceptance of settlement offers;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 450.00/hr	\$ 90.00

Re: Sterling Shoes

Our Fees

HST

\$ 9,598.00

1,151.76

Total Taxes on Fees

\$ 1,151.76

Total Fees Including Taxes

\$ 10,749.76

Disbursements

Taxable

12/04/12 Lasercopy
12/07/12 Lasercopy
12/10/12 Title Searches/Court filings/Cert.
Copies /DYE
DURHAM/5791007/COURT
SERVICES
12/12/12 Lasercopy
12/20/12 Lasercopy
12/24/12 Lasercopy

1.60

4.80

14.25

10.00

2.40

0.80

Total Disbursements

33.85

HST

4.07

Total Taxes on Disbursements

\$ 4.07

Total Disbursements Including Taxes

\$ 37.92

Total Fees, Disbursements and Taxes

CAD \$ 10,787.68


Tax Summary

HST

1,155.83

Total Taxes Included in This Bill

1,155.83


Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile

**FASKEN
MARTINEAU** 

Date: January 31, 2013
Matter #: 285937.00003
Invoice #: 710644
HST #: 87937 6127 RT0003

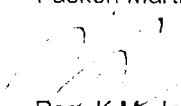
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 01/31/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 6,163.50
Total Disbursements	35.60
Total Taxes	743.89
Total Amount Owning This Bill	CAD \$ 6,942.99

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

01/03/13	Review emails from Mr. Jackson setting out instructions; emails with Mr. Crabtree regarding draft order and forward copy of same to same; Danielle R. Toigo Associate 0.30 hrs. \$ 305.00/hr \$ 91.50
01/03/13	Emails exchanged with Ms. Toigo, counsel for Sterling and client regarding attendance at and preparation of materials for hearing to enhance powers of Monitor; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
01/04/13	Review draft Order and affidavit sent from Blakes; email comments regarding same to Mr. Martin and Mr. Beveridge; Danielle R. Toigo Associate 0.80 hrs. \$ 305.00/hr \$ 244.00
01/05/13	Review emails from Mr. Martin and Mr. Jackson regarding amendments to draft application materials; Danielle R. Toigo Associate 0.20 hrs. \$ 305.00/hr \$ 61.00
01/05/13	Review draft affidavit and order circulated by counsel for Sterling, as well as emails from Ms. Toigo and Mr. Martin concerning same; email to Ms. Toigo, Mr. Martin and Mr. Beveridge providing comments on draft order; K.M. Jackson Partner 0.40 hrs. \$ 475.00/hr \$ 190.00
01/06/13	Revise draft Order; consider and research whether provision limiting Monitor's liability if guilty for gross negligence enforceable; circulate revised Order and comments to client; Danielle R. Toigo Associate 2.20 hrs. \$ 305.00/hr \$ 671.00
01/07/13	Emails with Mr. Martin and Mr. Jackson confirming revised Order; emails with Mr. Rubin regarding same; review draft Monitor's Report and provide comments on same; Danielle R. Toigo Associate 1.30 hrs. \$ 305.00/hr \$ 396.50
01/07/13	Email from Mr. Crabtree and review file regarding application to extend and email to Ms Tickle regarding same; J.F. Grieve Partner 0.30 hrs. \$ 725.00/hr \$ 217.50
01/07/13	Review amended draft order prepared by Ms. Toigo and emails from Ms. Toigo, Mr. Martin and Mr. Beveridge regarding same; email to foregoing persons regarding same; K.M. Jackson Partner 0.30 hrs. \$ 475.00/hr \$ 142.50
01/08/13	Telephone call with Mr. Beveridge; instruct on service of Report; Danielle R. Toigo Associate 0.20 hrs. \$ 305.00/hr \$ 61.00
01/08/13	Email to and email from Ms Tickle regarding application and email from Ms Tickle

Re: Sterling Shoes

	regarding report and review same; J.F. Grieve Partner 0.40 hrs. \$ 725.00/hr \$ 290.00
01/09/13	Review finalized Monitor's Report and prepare for application on January 10; Danielle R. Toigo Associate 1.30 hrs. \$ 305.00/hr \$ 396.50
01/09/13	Email from Ms. Galessiere regarding Notice of Dispute filed late by Primaris; emails exchanged with Mr. Martin and Mr. Beveridge regarding same; K.M. Jackson Partner 0.30 hrs. \$ 475.00/hr \$ 142.50
01/09/13	Discussions with Ms Toigo regarding matter generally, sale process, etc.; Vicki Tickle Associate 0.20 hrs. \$ 390.00/hr \$ 78.00
01/10/13	Prepare for and attend at application; email to client reporting on same; Danielle R. Toigo Associate 1.00 hrs. \$ 305.00/hr \$ 305.00
01/10/13	Conference with Ms Toigo regarding Order and email from Mr Crabtree regarding same; J.F. Grieve Partner 0.20 hrs. \$ 725.00/hr \$ 145.00
01/10/13	Emails exchanged with Mr. Martin and Mr. Beveridge regarding resolution of Primaris Dispute; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
01/11/13	Emails exchanged with Mr. Crabtree and Ms. Galessiere regarding late filed Notice of Dispute; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
01/15/13	Emails exchanged with Mr. Crabtree and Mr. Gumphrich regarding communications with landlords; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
01/16/13	Emails exchanged with Mr. Beveridge regarding use of company accounts and distribution to employees as well as enhancement of monitor's powers; K.M. Jackson Partner 0.30 hrs. \$ 475.00/hr \$ 142.50
01/17/13	Review email from Mr. Beveridge regarding CRA claim; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
01/18/13	Review emails from Mr. Martin regarding funds remaining in account of counsel for directors; telephone conversation with Mr. Martin regarding same; teleconference with Mr. Martin, Ms. Buttery and Mr. Rubin regarding same; K.M. Jackson Partner 0.60 hrs. \$ 475.00/hr \$ 285.00
01/21/13	Email from Mr. Crabtree regarding appointment of Monitor to finalize matters; review file and study law regarding same and email to and from Mr. Jackson regarding issues;

Re: Sterling Shoes

	J.F. Grieve	Partner	0.70 hrs.	\$ 725.00/hr	\$ 507.50
01/21/13	Prepare for and attend at meeting of offices of monitor to discuss outstanding matters and resignation of directors; emails exchanged with Mr. Grieve regarding enhancement of monitor's powers;				
	K.M. Jackson	Partner	1.00 hrs.	\$ 475.00/hr	\$ 475.00
01/21/13	Email from Mr. Crabtree attaching notice of application and supporting affidavit regarding application for enhanced Monitor's powers, and reviewing same;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 390.00/hr	\$ 39.00
01/22/13	Review emails from counsel for directors and counsel for company regarding cancellation of directors' insurance;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
01/23/13	Prepare for and attend at chambers on application for order enhancing monitor's powers;				
	K.M. Jackson	Partner	1.30 hrs.	\$ 475.00/hr	\$ 617.50
01/25/13	Telephone conversation with Mr. Beveridge regarding issue with respect to assigned claim;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00

Re: Sterling Shoes

Our Fees	\$ 6,163.50
HST	739.62
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Total Taxes on Fees	\$ 739.62
	<hr/>
Total Fees Including Taxes	<u><u>\$ 6,903.12</u></u>
Disbursements	
<u>Taxable</u>	
01/04/13 Lasercopy	0.40
01/07/13 Lasercopy	2.40
01/07/13 Lasercopy	3.60
01/09/13 Lasercopy	4.40
01/09/13 Lasercopy	5.20
01/09/13 Lasercopy	0.40
01/15/13 Lasercopy	5.60
01/23/13 Lasercopy	10.40
01/25/13 Lasercopy	3.20
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Total Disbursements	35.60
HST	4.27
	<hr/>
Total Taxes on Disbursements	\$ 4.27
	<hr/>
Total Disbursements Including Taxes	<u>\$ 39.87</u>
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 6,942.99</u></u>

Tax Summary

HST	743.89
	<hr/>
Total Taxes Included in This Bill	<u><u>743.89</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: March 11, 2013
Matter #: 285937.00003
Invoice #: 714180
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 02/28/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 4,867.50
Total Disbursements	20.00
Total Taxes	586.50
Total Amount Owing This Bill	<u>CAD \$ 5,474.00</u>

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

02/04/13	Telephone messages exchanged with Mr. Martin regarding distribution and claims of bondholders; conference with Ms. Tickle regarding same; emails exchanged with Mr. Beveridge and Ms. Tickle regarding late partial disallowance of employee claim;	K.M. Jackson	Partner	0.50 hrs.	\$ 475.00/hr	\$ 237.50
02/04/13	Telephone call and emails with Mr. Jackson regarding opinion with respect to no distribution to debentureholders; reviewing file regarding same; emails with Mr. Beveridge and Mr. Jackson, and reviewing Claims Process Order, regarding late delivery of NORDs; email to Mr. Martin regarding memo with respect to no distribution to debentureholders;	Vicki Tickle	Associate	3.70 hrs.	\$ 390.00/hr	\$ 1,443.00
02/05/13	Review and draft amendments to draft opinion letter prepared by Ms. Tickle; emails exchanged with Ms. Tickle and Mr. Martin regarding same;	K.M. Jackson	Partner	0.50 hrs.	\$ 475.00/hr	\$ 237.50
02/05/13	Teleconference with Ms. Tickle and Mr. Martin regarding opinion concerning distribution; emails exchanged with Ms. Tickle regarding same; emails exchanged with Mr. Beveridge, Mr. Rubin and Ms. Tickle regarding drafting posting for website concerning distribution;	K.M. Jackson	Partner	0.60 hrs.	\$ 475.00/hr	\$ 285.00
02/05/13	Emails with Mr. Jackson and Mr. Martin regarding opinion with respect to distribution, and call to discuss same; reviewing Mr. Jackson's comments on draft opinion; emails with Mr. Beveridge, Mr. Rubin and Mr. Jackson regarding draft notice with respect to distributions, and reviewing same; conference call with Mr. Martin and Mr. Jackson regarding opinion with respect to distribution; revising draft opinion with respect to distribution, and emails with Mr. Martin and Mr. Jackson regarding same;	Vicki Tickle	Associate	2.70 hrs.	\$ 390.00/hr	\$ 1,053.00
02/06/13	Review amended draft opinion regarding distribution circulated by Ms. Tickle; email to Ms. Tickle and Mr. Martin regarding same; emails exchanged with Mr. Beveridge, Mr. Rubin and others regarding draft letters to creditors enclosing distributions;	K.M. Jackson	Partner	0.50 hrs.	\$ 475.00/hr	\$ 237.50
02/06/13	Emails with Mr. Jackson regarding draft opinion with respect to distribution, and finalizing same; email to Mr. Martin attaching opinion; emails from Mr. Beveridge, Mr. Rubin and Mr. Jackson regarding letters to creditors;	Vicki Tickle	Associate	0.40 hrs.	\$ 390.00/hr	\$ 156.00
02/07/13	Emails exchanged with Mr. Beveridge and others regarding distribution of funds from account of LP;	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00

Re: Sterling Shoes

02/07/13	E-mails from Mr. Beveridge, Mr. Jackson and Mr. Rubin regarding source of funds for distribution; email from Mr. Martin regarding possible debt to parent from Limited Partnership; Vicki Tickle Associate 0.20 hrs. \$ 390.00/hr \$ 78.00
02/11/13	Review email from Mr. Martin regarding issue with respect to intercompany payable; emails to Mr. Martin regarding same; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
02/13/13	Telephone conversation with Mr. Martin to discuss issue with respect to intercompany payable and how to address same; research regarding limited liability partnerships and payments arising in respect of partnership units; K.M. Jackson Partner 1.00 hrs. \$ 475.00/hr \$ 475.00
02/14/13	Review email from Ms. Keilty and attached agreements concerning distribution of funds from partnership to parent; email to Ms. Keilty and Mr. Martin regarding conclusions with respect to same; K.M. Jackson Partner 0.80 hrs. \$ 475.00/hr \$ 380.00
02/27/13	Numerous emails from Mr. Martin and Mr. Rubin regarding claim arising from injury at store; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00

Re: Sterling Shoes

Our Fees

HST

\$ 4,867.50

584.10

Total Taxes on Fees

\$ 584.10

Total Fees Including Taxes

\$ 5,451.60

Disbursements

Taxable

02/04/13	Lasercopy	5.60
02/05/13	Lasercopy	4.40
02/06/13	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/10/10	4.00
02/06/13	Lasercopy	2.00
02/06/13	Lasercopy	4.00

Total Disbursements

20.00

HST

2.40

Total Taxes on Disbursements

\$ 2.40

Total Disbursements Including Taxes

\$ 22.40

Total Fees, Disbursements and Taxes

CAD \$ 5,474.00

Tax Summary

HST

586.50

Total Taxes Included in This Bill

586.50

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: March 11, 2013
Matter #: 285937.00003
Invoice #: 714180
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 02/28/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 4,867.50
Total Disbursements	20.00
Total Taxes	586.50
Total Amount Owing This Bill	<u>CAD \$ 5,474.00</u>

Tax Summary

HST	586.50
Total Taxes Included in This Bill	<u>586.50</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile

**FASKEN
MARTINEAU** 

Date: March 27, 2013
Matter #: 285937.00003
Invoice #: 719104
HST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 03/26/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 5,011.00
Total Disbursements	191.65
Total Taxes	614.72
Total Amount Owing This Bill	<u>CAD \$ 5,817.37</u>

Fasken Martineau DuMoulin LLP

Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

03/06/13	Emails exchanged with Mr. Martin and Mr. Rubin regarding application to extend stay;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
03/07/13	Review letter from Mr. Beveridge to claimant regarding issues with respect to resolution of claim;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
03/11/13	Instructions to Ms. Tickle regarding preparation of materials in support of application for extension of stay;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
03/12/13	Emails and discussion with Mr. Jackson regarding application for extension of stay;				
	Vicki Tickle	Associate	0.10 hrs.	\$ 390.00/hr	\$ 39.00
03/13/13	Emails exchanged with Mr. Beveridge and Ms. Tickle regarding timing for hearing of application for extension of stay and determination of claim of employee;				
	K.M. Jackson	Partner	0.30 hrs.	\$ 475.00/hr	\$ 142.50
03/13/13	Emails with Mr. Jackson and Mr. Beveridge regarding application for approval of offer to employee;				
	Vicki Tickle	Associate	0.20 hrs.	\$ 390.00/hr	\$ 78.00
03/18/13	Preparing and submitting request to appear; drafting notice of application for extension of stay; emails with Scheduling regarding hearing of application for extension of stay; emails with Mr. Beveridge and Mr. Rubin regarding date for hearing of application; emails with Mr. Beveridge regarding draft Monitor's report, and discussion with Mr. Jackson regarding same;				
	Vicki Tickle	Associate	1.30 hrs.	\$ 390.00/hr	\$ 507.00
03/19/13	Emails exchanged and conference with Ms. Tickle regarding claim of CRA and letter from monitor to CRA regarding same;				
	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
03/19/13	Emails with Mr. Beveridge, and discussions with Mr. Jackson, regarding letter to CRA with respect to resolution of CRA's claim, and reviewing same; emails with Supreme Court Scheduling and Mr. Rubin regarding date for stay extension application; emails from and telephone call with Mr. Beveridge regarding draft Monitor's report, and timing of filing of same;				
	Vicki Tickle	Associate	1.50 hrs.	\$ 390.00/hr	\$ 585.00
03/20/13	Reviewing draft Monitor's 11th Report; emails and discussions with Mr. Beveridge and Mr. Jackson regarding same; email from Supreme Court Scheduling regarding hearing of stay extension application;				
	Vicki Tickle	Associate	1.70 hrs.	\$ 390.00/hr	\$ 663.00

Re: Sterling Shoes

03/21/13	Review emails from Ms. Tickle and Mr. Beveridge regarding report; conference with Ms. Tickle regarding same;	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
03/21/13	Drafting notice of application for stay extension application, and discussion with Mr. Jackson regarding same; telephone call with Mr. Beveridge regarding draft Monitor's 11th Report; emails and telephone call with Mr. Beveridge regarding draft notice of application; voice messages from and to, and telephone call with, Mr. Beveridge regarding draft letter to CRA; email from Mr. Gumprich regarding same; emails with Mr. Beveridge regarding final Monitor's 11th Report and filing of same; instructions to Ms Lewis regarding same; email to Mr. Crabtree regarding service list;	Vicki Tickle	Associate	2.50 hrs.	\$ 390.00/hr	\$ 975.00
03/22/13	Telephone call with and email from Mr. Crabtree regarding service list; finalizing notice of application, and instructions to Ms Lewis regarding same and application record; emails with Mr. Beveridge regarding notice of application and hearing; telephone call with Mr. Beveridge regarding employee claim;	Vicki Tickle	Associate	0.30 hrs.	\$ 390.00/hr	\$ 117.00
03/25/13	Email to service list attaching application materials regarding application for extension of stay; email from Mr. Beveridge regarding letter to CRA regarding claim; drafting stay extension order and preparing for hearing of application;	Vicki Tickle	Associate	0.80 hrs.	\$ 390.00/hr	\$ 312.00
03/26/13	Conference with Ms. Tickle regarding evidence to be advanced in respect of application for determining claim of Ms. Mrsic; review email from Ms. Tickle regarding same;	K.M. Jackson	Partner	0.30 hrs.	\$ 475.00/hr	\$ 142.50
03/26/13	Preparing for and appearing on hearing before Mr. Justice Pearlman of application for extension of stay, including attending at Registry for vetting and entry of order; telephone call with Mr. Beveridge regarding same; discussions with Mr. Jackson, and emails with Mr. Beveridge, regarding issues for resolution of outstanding employee claim;	Vicki Tickle	Associate	2.50 hrs.	\$ 390.00/hr	\$ 975.00

Re: Sterling Shoes

Our Fees**\$ 5,011.00**

HST

601.32

Total Taxes on Fees

\$ 601.32

Total Fees Including Taxes

\$ 5,612.32**Disbursements**Non-Taxable

03/22/13	Registration/Court Fees /DYE DURHAM/5848363/COURT SERVICES	80.00
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Taxable

03/12/13	Lasercopy	1.20
03/19/13	Lasercopy	1.20
03/20/13	Lasercopy	4.40
03/21/13	Lasercopy	4.00
03/22/13	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/126/126	50.40
03/22/13	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/28/28	11.20
03/22/13	Lasercopy	10.40
03/22/13	Lasercopy	6.00
03/22/13	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5848363/COURT SERVICES	19.25
03/25/13	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/7/7	2.80
03/25/13	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/1/1	0.40
03/25/13	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/1/1	0.40

Total Disbursements

191.65

HST

13.40

Total Taxes on Disbursements

\$ 13.40

Total Disbursements Including Taxes

\$ 205.05**Total Fees, Disbursements and Taxes****CAD \$ 5,817.37**

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Matter #: 285937.00003
Invoice #: 719104

Re: Sterling Shoes

Tax Summary

HST	614.72
Total Taxes Included in This Bill	<u>614.72</u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: May 2, 2013
Matter #: 285937.00003
Invoice #: 726643
GST #: 87937 6127 RT0003

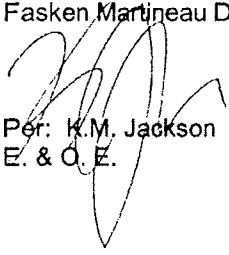
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 04/30/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 784.50
Total Disbursements	7.20
Total Taxes	94.51
Total Amount Owing This Bill	CAD \$ 886.21

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Tax Change Notice – As of April 1, 2013, the province of British Columbia will begin to impose its new Provincial Sales Tax (BCPST) (7%) on certain legal services. Our invoices have been updated to reflect this change in law.

Vancouver Calgary Toronto Ottawa Montréal Québec City London s Johannesburg

Re: Sterling Shoes

03/25/13	Email from Ms. Tickle regarding report and review same and conference with Ms. Tickle regarding same;	J.F. Grieve	Partner	0.20 hrs.	\$ 725.00/hr	\$ 145.00
04/08/13	Emails with Mr. Beveridge and Mr. Jackson regarding application with respect to employee claim and final report;	Vicki Tickle	Associate	0.10 hrs.	\$ 390.00/hr	\$ 39.00
04/11/13	Numerous emails exchanged with Mr. Beveridge and Ms. Keilty regarding Computershare and continued services to be provided by same; telephone conversation with Ms. Keilty regarding same;	K.M. Jackson	Partner	0.40 hrs.	\$ 475.00/hr	\$ 190.00
04/12/13	Emails exchanged and telephone conversations with Ms. Keilty and Mr. Beveridge regarding Computershare issue and resolution of same;	K.M. Jackson	Partner	0.30 hrs.	\$ 475.00/hr	\$ 142.50
04/16/13	Telephone conversation with Mr. Beveridge regarding claim of CRA;	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
04/19/13	Telephone conversation with Mr. Beveridge regarding preparation of income tax returns;	K.M. Jackson	Partner	0.20 hrs.	\$ 475.00/hr	\$ 95.00
04/24/13	Emails with Mr. Beveridge regarding status of draft Monitor's report and summary of FMD invoices; discussion with and email to Ms. Volkow regarding summary of invoices;	Vicki Tickle	Associate	0.20 hrs.	\$ 390.00/hr	\$ 78.00

Re: Sterling Shoes

Our Fees	\$ 784.50
GST	39.23
BCPST	54.92
	<hr/>
Total Taxes on Fees	\$ 94.15
	<hr/>
Total Fees Including Taxes	<u><u>\$ 878.65</u></u>
 Disbursements	
<u>Taxable</u>	
03/26/13 Lasercopy	3.60
03/26/13 Document Scan /VAN - 1c1s 27th	1.20
	Floor Xerox 5775 A/3/3
03/26/13 Lasercopy	0.40
03/27/13 Lasercopy	0.40
04/05/13 Lasercopy	1.60
	<hr/>
Total Disbursements	7.20
	<hr/>
GST	0.36
	<hr/>
Total Taxes on Disbursements	\$ 0.36
	<hr/>
Total Disbursements Including Taxes	\$ 7.56
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 886.21</u></u>

Tax Summary

GST	39.59
BCPST	54.92
	<hr/>
Total Taxes Included in This Bill	<u><u>94.51</u></u>

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: June 12, 2013
Matter #: 285937.00003
Invoice #: 735465
GST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 05/31/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 1,894.50
Total Disbursements	0.40
Total Taxes	227.37
Total Amount Owing This Bill	<u>CAD \$ 2,122.27</u>

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O.E.

Accounts are due when rendered.

Tax Change Notice – As of April 1, 2013, the province of British Columbia will begin to impose its new Provincial Sales Tax (BCPST) (7%) on certain legal services. Our invoices have been updated to reflect this change in law.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

05/02/13	Emails with Ms Volkow regarding summary of legal fees; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
05/06/13	Emails exchanged with Ms. Bosworth regarding schedule of invoices; S. Volkow Secretary 0.20 hrs. \$ 220.00/hr \$ 44.00
05/07/13	Emails with Ms Volkow regarding summary of FMD fees, and reviewing same; emails with Mr. Beveridge regarding same and status of report; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
05/28/13	Conference with Mr. Jackson regarding employment claim; email regarding the same; C.A. Jones Partner 0.30 hrs. \$ 410.00/hr \$ 123.00
05/28/13	Review draft report forwarded by Mr. Beveridge; conference with Ms. Tickle regarding same; conference with Mr. Jones regarding claim of former employee; email to Mr. Beveridge regarding same; K.M. Jackson Partner 1.20 hrs. \$ 475.00/hr \$ 570.00
05/28/13	Discussion with Mr. Jackson regarding application for resolution of employee claim and discharge of Monitor; emails from Mr. Jackson regarding draft Monitor's report, and reviewing same regarding employee claim; emails from Mr. Jackson and Mr. Beveridge regarding employee claim to be compromised; Vicki Tickle Associate 0.70 hrs. \$ 390.00/hr \$ 273.00
05/29/13	Telephone conversation with Mr. Beveridge regarding outstanding unresolved claim of employee; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
05/29/13	Emails with Ms Chan regarding summary of FMD fees; discussion with Ms Volkow, and instructions to Ms Lewis, regarding amending same; email from Ms Chan regarding PST charged on May 2 invoice; Vicki Tickle Associate 0.20 hrs. \$ 390.00/hr \$ 78.00
05/30/13	Emails with Ms Redford and Ms Bosworth, and to Ms Chan, regarding PST charged on May 2 invoice; email from Ms Lewis regarding amended summary of FMD invoices; Vicki Tickle Associate 0.20 hrs. \$ 390.00/hr \$ 78.00
05/31/13	Telephone call discussing employment facts; C.A. Jones Partner 0.30 hrs. \$ 410.00/hr \$ 123.00
05/31/13	Attend on teleconference with Mr. Gumprich, Mr. Jones and Ms. Tickle to discuss claim of former employee and issues around same;

Page 3

Matter #: 285937.00003
Invoice #: 735465

Re: Sterling Shoes

	K.M. Jackson	Partner	0.50 hrs.	\$ 475.00/hr	\$ 237.50
05/31/13	Conference call with Mr. Gumprich, Mr. Grieve and Mr. Jones regarding outstanding employee claim; emails from Mr. Jackson and Mr. Beveridge regarding correspondence with respect to same; email from Ms Chan regarding PST charged on May 2 bill and email to Ms Bosworth forwarding same;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 390.00/hr	\$ 195.00

Re: Sterling Shoes

Our Fees

GST
BCPST

\$ 1,894.50
94.73
132.62

Total Taxes on Fees

\$ 227.35

Total Fees Including Taxes

\$ 2,121.85

Disbursements

Taxable

05/02/13 Lasercopy

0.40

Total Disbursements

0.40

GST

0.02

Total Taxes on Disbursements

\$ 0.02

Total Disbursements Including Taxes

\$ 0.42

Total Fees, Disbursements and Taxes

CAD \$ 2,122.27

Tax Summary

GST
BCPST

94.75
132.62

Total Taxes Included in This Bill

227.37

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: June 12, 2013
Matter #: 285937.00003
Invoice #: 735465
GST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 05/31/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 1,894.50
Total Disbursements	0.40
Total Taxes	227.37
Total Amount Owing This Bill	<u>CAD \$ 2,122.27</u>

Tax Summary

GST	94.75
BCPST	132.62
Total Taxes Included in This Bill	<u>227.37</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Tax Change Notice – As of April 1, 2013, the province of British Columbia will begin to impose its new Provincial Sales Tax (BCPST) (7%) on certain legal services. Our invoices have been updated to reflect this change in law.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: July 15, 2013
Matter #: 285937.00003
Invoice #: 743161
GST #: 87937 6127 RT0003

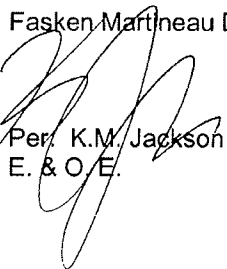
Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

For Professional Services rendered through 06/30/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 6,944.50
Total Disbursements	468.23
Total Taxes	852.76
Total Amount Owning This Bill	CAD \$ 8,265.49

Fasken Martineau DuMoulin LLP


Per: K.M. Jackson
E. & O. E.

Accounts are due when rendered.

Tax Change Notice – As of April 1, 2013, the province of British Columbia will begin to impose its new Provincial Sales Tax (BCPST) (7%) on certain legal services. Our invoices have been updated to reflect this change in law.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Sterling Shoes

06/03/13	Emails from Mr. Beveridge and Mr. Jackson regarding correspondence with respect to employee claim; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
06/04/13	Commence reviewing employment materials provided by client; C.A. Jones Partner 0.40 hrs. \$ 410.00/hr \$ 164.00
06/04/13	Review documents pertaining to claim of Ms. Mrsic; conference with Mr. Jones regarding same; K.M. Jackson Partner 0.50 hrs. \$ 475.00/hr \$ 237.50
06/05/13	Continue reviewing documents; consider issues for follow-up; C.A. Jones Partner 1.00 hrs. \$ 410.00/hr \$ 410.00
06/10/13	Review materials; conference with Ms. Tickle regarding materials and points for follow-up; C.A. Jones Partner 0.50 hrs. \$ 410.00/hr \$ 205.00
06/10/13	Voicemail from Mr. Beveridge regarding resolution of Mrsic claim; email to Mr. Jones and Ms. Tickle regarding same; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
06/10/13	Emails from Mr. Jackson and Mr. Jones, and conference with Mr. Jones, regarding Ms Mrsic's claim; reviewing documents with respect to same and Claims Process Order; Vicki Tickle Associate 0.90 hrs. \$ 390.00/hr \$ 351.00
06/11/13	Conferences with Ms. Tickle regarding process matter; research notice period awards for comparable cases; C.A. Jones Partner 2.00 hrs. \$ 410.00/hr \$ 820.00
06/11/13	Conference with Ms. Tickle regarding strategy for dealing with Mrsic claim; K.M. Jackson Partner 0.20 hrs. \$ 475.00/hr \$ 95.00
06/11/13	Discussions with Mr. Jones regarding provisions of Claims Process Order; email to Mr. Beveridge regarding further information with respect to Ms Mrsic's claim; telephone call with Mr. Beveridge regarding same, and updating Mr. Jones; email from Mr. Beveridge regarding strategy with respect to employee claim and forwarding same to Mr. Jones; Vicki Tickle Associate 1.00 hrs. \$ 390.00/hr \$ 390.00
06/12/13	Continue reviewing cases to rely on at hearing; note-up cases; retrieve and review additional cases; C.A. Jones Partner 1.70 hrs. \$ 410.00/hr \$ 697.00

Re: Sterling Shoes

06/12/13	Email from Mr. Jones regarding strategy with respect to employee claim; note from Mr. Jones regarding case law with respect to employee claim; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
06/17/13	Telephone call with Mr. Beveridge regarding application for extension of stay, and employee claim; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
06/18/13	Discussion with Mr. Jackson regarding application for extension of stay and resolution of employee claim; preparing and submitting request to appear before Mr. Justice Pearlman; Vicki Tickle Associate 0.30 hrs. \$ 390.00/hr \$ 117.00
06/19/13	Emails with Mr. Beveridge regarding date for stay extension hearing; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
06/20/13	Email from Supreme Court Scheduling regarding hearing of application for extension of stay and determination of Ms Masic's claim; emails with Mr. Beveridge regarding same; drafting notice of application; Vicki Tickle Associate 1.00 hrs. \$ 390.00/hr \$ 390.00
06/21/13	Emails from Mr. Beveridge attaching drafts of 12th Report of the Monitor, and voice message regarding same; Vicki Tickle Associate 0.10 hrs. \$ 390.00/hr \$ 39.00
06/24/13	Numerous conferences with and emails from Ms. Tickle regarding application with respect to determination of claim of Ms. Masic; K.M. Jackson Partner 0.30 hrs. \$ 475.00/hr \$ 142.50
06/24/13	Reviewing draft 12th Report of the Monitor, and considering issues for application to extend stay and for determination of employee claim; conference with Mr. Jackson regarding issues with respect to employee claim, and telephone call with Mr. Beveridge regarding same; revising draft 12th Report of the Monitor, and emails and telephone calls with Mr. Beveridge regarding same; emails from Mr. Beveridge and Mr. Gumprich regarding affidavit with respect to employee claim; revising draft Notice of Application and email to Mr. Beveridge and Ms Boparai regarding same; Vicki Tickle Associate 3.00 hrs. \$ 390.00/hr \$ 1,170.00
06/25/13	Email from and to Ms. Tickle regarding extension and review report regarding same; J.F. Grieve Partner 0.30 hrs. \$ 725.00/hr \$ 217.50
06/25/13	Telephone call with Mr. Beveridge regarding Monitor's report; instructions to Ms Lewis regarding filing of same and Notice of Application for extension of stay; emails to service list delivering application materials; email to Supreme Court Scheduling forwarding application materials and advising of reduced hearing time estimate;

Re: Sterling Shoes

	Vicki Tickle	Associate	0.50 hrs.	\$ 390.00/hr	\$ 195.00
06/27/13	Drafting order for extension of stay to August 30, 2013; preparing for and appearing on hearing before Mr. Justice Pearlman of application for extension of stay, including attending at Registry for vetting of order; emails with Mr. Beveridge regarding same and timing of application with respect to employee claim; drafting letter to Civil Registry regarding urgent entry of stay extension order and instructions to Ms Lewis regarding same;				
	Vicki Tickle	Associate	2.20 hrs.	\$ 390.00/hr	\$ 858.00
06/28/13	Emails with Mr. Beveridge and Ms Chan regarding entered stay extension Order; preparing and submitting request to appear regarding application for determination of employee claim;				
	Vicki Tickle	Associate	0.50 hrs.	\$ 390.00/hr	\$ 195.00

Re: Sterling Shoes

Our FeesGST
BCPST**\$ 6,944.50**

347.23

486.12

Total Taxes on Fees

\$ 833.35

Total Fees Including Taxes

\$ 7,777.85**Disbursements**Non-Taxable

06/25/13	Registration/Court Fees /DYE DURHAM/5903819/COURT SERVICES	80.00
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Taxable

06/12/13	Quicklaw Searches LEXIS LEGAL SERVICES/SINGLE DOCUMENT RETRIEVAL/JONES, CLAYTON/15057-285937.00003	36.01
06/12/13	Quicklaw Searches QUICKLAW SERVICE/SEARCHES/JONES, CLAYTON/15057-285937.00003	232.27
06/12/13	Lasercopy	29.60
06/18/13	Lasercopy	5.60
06/20/13	Lasercopy	0.40
06/24/13	Lasercopy	6.00
06/24/13	Document Scan /VAN - 1c1s 27th Floor Xerox 5775 A/7/7	2.80
06/25/13	Lasercopy	2.80
06/25/13	Lasercopy	8.40
06/25/13	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5903819/COURT SERVICES	24.25
06/27/13	Lasercopy	4.80
06/27/13	Lasercopy	13.20
06/27/13	Lasercopy	1.20
06/28/13	Title Searches/Court filings/Cert. Copies /DYE DURHAM/5906554/COURT SERVICES	14.50
06/28/13	Photocopies /VAN - 1c1s 27th Floor Xerox 5775 A/16/16	6.40

Total Disbursements

468.23

GST

19.41

Re: Sterling Shoes

Total Taxes on Disbursements	\$ 19.41
Total Disbursements Including Taxes	\$ 487.64
Total Fees, Disbursements and Taxes	CAD \$ 8,265.49

Tax Summary

GST	366.64
BCPST	486.12
Total Taxes Included in This Bill	852.76

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

2900 – 550 Burrard Street
Vancouver, British Columbia, Canada V6C 0A3

604 631 3131 Telephone
604 631 3232 Facsimile



Date: July 15, 2013
Matter #: 285937.00003
Invoice #: 743161
GST #: 87937 6127 RT0003

Alvarez & Marsal Canada ULC
Attn: Todd Martin
1680 - 400 Burrard Street
Vancouver BC V6C 3A6

REMITTANCE COPY
Please return with your payment

For Professional Services rendered through 06/30/2013 in connection with this matter:

Re: Sterling Shoes

Total Fees	\$ 6,944.50
Total Disbursements	468.23
Total Taxes	852.76
Total Amount Owning This Bill	<u>CAD \$ 8,265.49</u>

Tax Summary

GST	366.64
BCPST	486.12
Total Taxes Included in This Bill	<u>852.76</u>

VANCOUVER OFFICE BANKING DETAILS

SCOTIABANK, 7th Floor, 409 Granville Street, Vancouver, BC V6C 1T2
Account Name: Fasken Martineau DuMoulin LLP
CAD Account No: 0142011265-12, Transit No.: 03020, Bank Code: 002
SWIFT Code: NOSCCATT, ABA No.: 026002532

Tax Change Notice – As of April 1, 2013, the province of British Columbia will begin to impose its new Provincial Sales Tax (BCPST) (7%) on certain legal services. Our invoices have been updated to reflect this change in law.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg