



This is the 2<sup>nd</sup> affidavit  
of Miriam Dominguez in this case  
and was made on 14 / February / 2017

NO. S-171026  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

DEANS KNIGHT CAPITAL MANAGEMENT LTD.

PETITIONER

AND:

SHOEME TECHNOLOGIES LIMITED

RESPONDENT

**AFFIDAVIT**

I, **MIRIAM DOMINGUEZ**, Legal Assistant, of 20<sup>th</sup> Floor – 250 Howe Street, in the City of Vancouver, in the Province of British Columbia, SWEAR (OR AFFIRM) THAT:

1. I am employed by the law firm of Dentons Canada LLP ("**Dentons**"), and solicitors of the petitioner in this matter, and as such I have personal knowledge of the facts and matters deposed to herein except where stated to be based upon information and belief, and where so stated I verily believe the same to be true.
2. Attached hereto as **Exhibit "A"** is a copy of the B.C. Company Summary for "Shoes.com Technologies Inc." that I obtained from B.C. Registry Services.
3. Attached hereto as **Exhibit "B"** is a copy of the search results for "Shoes.com Technologies Inc." that I obtained from the British Columbia Personal Property Registry.
4. Now shown to me and attached hereto as **Exhibit "C"** is a copy of the search results for "Shoes.com Technologies Inc." that Dentons obtained from the Ontario Personal Property Registry.

5. Now shown to me and attached hereto as **Exhibit "D"** is a copy of an email string dated for reference January 31, 2017, between Gregory Fox of Lane Powell, counsel for Wells Fargo Bank, National Association and John Sandrelli of Dentons, counsel for the Petitioner.

6. Now shown to me and attached hereto as **Exhibit "E"** is a copy of a Stipulated Order Appointing General Receiver entered on February 2, 2017 in the Superior Court of Washington for King County of the United States in the Action No. 17-2-02462-7SEA between Wells Fargo Bank, National Association as Petitioner and Onlineshoes.com Inc. and Shoes.com Inc. as Respondents.

7. Now shown to me and attached hereto as **Exhibit "F"** is a copy of an email from Annie Norby of Lane Powell dated for reference February 8, 2017 attaching a Notice of Intention to Enforce Security dated for reference February 8, 2017 sent by Lane Powell to Shoes.com Technologies Inc.

8. Now shown to me and attached hereto as **Exhibit "G"** is a copy of a letter dated for reference February 9, 2017 from Todd Martin of Alvarez & Marsal Canada Inc. to John Sandrelli, of Dentons, counsel for the Petitioner.

9. Now shown to me and attached hereto as **Exhibit "H"** is a copy of an email dated for reference February 14, 2017 from Tevia Jeffries, of Dentons, counsel for the Petitioner, attaching a proposed draft Receivership Order to Mark Laugesen of Bennett Jones.

10. Now shown to me and attached hereto as **Exhibit "I"** is a copy of an email dated for reference February 14, 2017 from Mark Laugesen of Bennett Jones to Tevia Jeffries, of Dentons, counsel for the Petitioner, consenting to the entry of the proposed draft Receivership Order.

SWORN (OR AFFIRMED) BEFORE ME at  
Vancouver, BC, on 02/14/2017.

  
A Commissioner for taking Affidavits within  
British Columbia

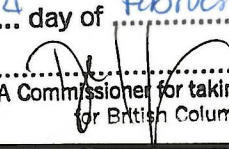
  
MIRIAM DOMINGUEZ

TEVIA JEFFRIES  
*Barrister & Solicitor*  
DENTONS CANADA LLP  
20th Floor, 250 Howe Street  
Vancouver, B.C. V6C 3R8  
Telephone (604) 687-4460

This is Exhibit "A" referred to in the  
affidavit of Ninam Dominguez

sworn before me at Vancouver

this 14 day of February, 2017

  
A Commissioner for taking Affidavits  
for British Columbia

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
www.corporateonline.gov.bc.ca

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## BC Company Summary

For  
**SHOES.COM TECHNOLOGIES INC.**

Date and Time of Search: February 08, 2017 09:28 AM Pacific Time

Currency Date: December 05, 2016

### ACTIVE

Incorporation Number: BC1006903  
Name of Company: SHOES.COM TECHNOLOGIES INC.  
Recognition Date and Time: Incorporated on July 01, 2014 01:03 PM Pacific Time In Liquidation: No  
Last Annual Report Filed: July 01, 2016 Receiver: No

### COMPANY NAME INFORMATION

Previous Company Name

1006903 B.C. LTD.

Date of Company Name Change

April 17, 2015

### REGISTERED OFFICE INFORMATION

Mailing Address:

1750 - 1055 WEST GEORGIA ST  
P.O. BOX 11125  
VANCOUVER BC V6E 3P3  
CANADA

Delivery Address:

1750 - 1055 WEST GEORGIA ST  
VANCOUVER BC V6E 3P3  
CANADA

### RECORDS OFFICE INFORMATION

Mailing Address:

1750 - 1055 WEST GEORGIA ST  
P.O. BOX 11125  
VANCOUVER BC V6E 3P3  
CANADA

Delivery Address:

1750 - 1055 WEST GEORGIA ST  
VANCOUVER BC V6E 3P3  
CANADA

### DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Guld, Barry Joseph

Mailing Address:

4345 ERWIN DRIVE  
WEST VANCOUVER BC V7V 1H7  
CANADA

Delivery Address:

4345 ERWIN DRIVE  
WEST VANCOUVER BC V7V 1H7  
CANADA

**Last Name, First Name, Middle Name:**

Kerfoot, Gregory Brian

**Mailing Address:**250 - 25TH STREET  
WEST VANCOUVER BC V7V 4J1  
CANADA**Delivery Address:**250 - 25TH STREET  
WEST VANCOUVER BC V7V 4J1  
CANADA**Last Name, First Name, Middle Name:**

Mason, Jeffrey

**Mailing Address:**3641 CAMERON AVENUE  
VANCOUVER BC V6R 1A1  
CANADA**Delivery Address:**3641 CAMERON AVENUE  
VANCOUVER BC V6R 1A1  
CANADA

---

NO OFFICER INFORMATION FILED AS AT July 01, 2016.

---



Page: 1

BC OnLine: PPRS SEARCH RESULT 2017/02/09  
 Lterm: XPSP0050 For: PU69450 DENTONS CANADA LLP 09:04:31

Index: BUSINESS DEBTOR

Search Criteria: SHOES.COM TECHNOLOGIES INC.

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: DEC 12, 2014 Reg. Length: 7 YEARS  
 Reg. Time: 11:40:51 Expiry Date: DEC 12, 2021  
 Base Reg. #: 340494I Control #: D2813058

Block#

+++ Secured Party: BROWN SHOE INVESTMENT COMPANY INC  
 8300 MARYLAND AVENUE  
 ST. LOUIS MO 63105

D0001 Base Debtor: 1006903 BC LTD  
 (Business) 2390, 1055 WEST HASTINGS ST.  
 VANCOUVER BC V6E 2E9

## General Collateral:

ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE DEBTOR'S  
 DOMAIN NAMES AND PROCEEDS THEREOF: SHHSHOES.COM, SHOES.COM, AND  
 SSSSHOES.COM AND ALL COLLATERAL RECORDS WITH RESPECT THERETO, WHETHER  
 NOW OWNED OR HEREAFTER ACQUIRED AND WHERESOEVER LOCATED AND TOGETHER  
 WITH THE PROCEEDS (AS DEFINED IN THE UNIFORM COMMERCIAL CODE) THEREOF

## Registering

Party: ELISABETH PRESTON  
 116 LISGAR STREET, SUITE 200  
 OTTAWA ON K2P 0C2

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 555012I Reg. Date: APR 21, 2015  
 Reg. Time: 07:04:31  
 Control #: D3032695

Base Reg. Type: PPSA SECURITY AGREEMENT  
 Base Reg. #: 340494I Base Reg. Date: DEC 12, 2014

## Details Description:

10006903 B.C. LTD CHANGED ITS NAME TO SHOES.COM TECHNOLOGIES  
 ON APRIL 17, 2015.

Block#

\*\*\* ADDED \*\*\*  
 =D0002 Bus. Debtor: SHOES.COM TECHNOLOGIES INC.  
 2390, 1055 WEST HASTINGS ST.  
 VANCOUVER BC V6E 2E9

## Registering

Party: ELISABETH PRESTON  
 116 LISGAR STREET, SUITE 200  
 OTTAWA ON K2P 0C2

This is Exhibit " B " referred to in the  
 affidavit of Ninam Dominguez  
 sworn before me at Vancouver  
 this 14<sup>th</sup> day of February, 2017

[Signature]  
 A Commissioner for taking Affidavits  
 for British Columbia

Continued on Page 2

Search Criteria: SHOES.COM TECHNOLOGIES INC.

Page: 2

## ----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 643263I

Reg. Date: JUN 04, 2015

Reg. Time: 08:40:14

Control #: D3122908

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 340494I

Base Reg. Date: DEC 12, 2014

## Details Description:

CHANGING OF SECURED PARTY NAME.

Block#

\*\* DELETED \*\*

+++ Secured Party: BROWN SHOE INVESTMENT COMPANY INC  
8300 MARYLAND AVENUE  
ST. LOUIS MO 63105

\*\*\* ADDED \*\*\*

S0002 Secured Party: CALERES INVESTMENT COMPANY, INC.  
8300 MARYLAND AVENUE  
ST. LOUIS, MO US 63105

## Registering

Party: ELISABETH PRESTON  
116 LISGAR STREET, SUITE 200  
OTTAWA ON K2P 0C2

## \*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: MAR 12, 2015

Reg. Length: 10 YEARS

Reg. Time: 13:49:33

Expiry Date: MAR 12, 2025

Base Reg. #: 486204I

Control #: D2962276

Block#

S0001 Secured Party: WELLS FARGO BANK, NATIONAL  
ASSOCIATION  
40 KING STREET WEST, STE. 2500  
TORONTO ON M5H 3Y2

+++ Base Debtor: 1006903 B.C. LTD.  
(Business) 2390, 1055 WEST HASTINGS ST.  
VANCOUVER BC V6E 2E9

## General Collateral:

ALL MONIES, SECURITIES AND OTHER PROPERTY OF THE DEBTOR IN THE  
POSSESSION OF OR ON DEPOSIT WITH THE SECURED PARTY, ALL INDEBTEDNESS  
OWED BY ONLINESHOES.COM INC. AND SHOES.COM, INC. TO THE DEBTOR AND  
ALL OF THE DEBTOR'S PATENTS, TRADEMARKS AND DOMAIN NAMES WHEREVER  
LOCATED AND ALL RIGHTS WITH RESPECT TO ALL OF THE FOREGOING AND  
PROCEEDS OF ALL OF THE FOREGOING.

## Registering

Party: JCLD ONLINE TECHNOLOGIES  
16-1375 SOUTHDOWN ROAD STE 322  
MISSISSAUGA ON L5J 2Z1

Continued on Page 3

Search Criteria: SHOES.COM TECHNOLOGIES INC.

Page: 3

## ----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 566574I

Reg. Date: APR 27, 2015

Reg. Time: 11:38:26

Control #: D3044387

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 486204I

Base Reg. Date: MAR 12, 2015

## Details Description:

THE DEBTOR HAS CHANGED ITS NAME FROM 1006903 B.C. LTD. TO  
SHOES.COM TECHNOLOGIES INC. PURSUANT TO THE CERTIFICATE OF  
CHANGE OF NAME DATED APRIL 17, 2015.

Block#

\*\* DELETED \*\*

+++ Bus. Debtor: 1006903 B.C. LTD.  
2390, 1055 WEST HASTINGS ST.  
VANCOUVER BC V6E 2E9

\*\*\* ADDED \*\*\*

=D0002 Bus. Debtor: SHOES.COM TECHNOLOGIES INC.  
650-669 HOWE STREET  
VANCOUVER BC V6C 0B4

## Registering

Party: BENNETT JONES LLP  
3400, 1 FIRST CANADIAN PLACE  
TORONTO ON M5X 1A4

## \*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: DEC 12, 2014

Reg. Length: 3 YEARS

Reg. Time: 10:33:35

Expiry Date: DEC 12, 2017

Base Reg. #: 340310I

Control #: D2812843

Block#

S0001 Secured Party: DEANS KNIGHT CAPITAL MANAGEMENT LTD  
1500 999 WEST HASTINGS STREET  
VANCOUVER BC V6C 2W2

+++ Base Debtor: 1006903 BC LTD  
(Business) 2390 1055 WEST HASTING STREET  
VANCOUVER BC V6E 2E9

## General Collateral:

ALL OF THE DEBTOR S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY;  
UNCRYSTALLIZED FLOATING CHARGE ON LAND;  
ALL PROCEEDS THEREOF AND THEREFROM.

## Registering

Party: FARRIS VAUGHAN WILLS & MURPHY LLP  
25TH FLOOR 700 WEST GEORGIA ST  
VANCOUVER BC V7Y 1B3

Continued on Page 4

Search Criteria: SHOES.COM TECHNOLOGIES INC.

Page: 4

## ----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 567754I

Reg. Date: APR 27, 2015

Reg. Time: 16:14:03

Control #: D3045734

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 340310I

Base Reg. Date: DEC 12, 2014

## Details Description:

THE NAME CHANGE OF THE DEBTOR

Block#

\*\* DELETED \*\*

+++ Bus. Debtor: 1006903 BC LTD  
 2390 1055 WEST HASTING STREET  
 VANCOUVER BC V6E 2E9

\*\*\* ADDED \*\*\*

=D0002 Bus. Debtor: SHOES.COM TECHNOLOGIES INC  
 2390 1055 WEST HASTINGS STREET  
 VANCOUVER BC V6E 2E9

## Registering

Party: FARRIS VAUGHAN WILLS & MURPHY LLP  
 25TH FLOOR 700 WEST GEORGIA ST  
 VANCOUVER BC V7Y 1B3

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: SEP 30, 2015

Reg. Length: 2 YEARS

Reg. Time: 11:25:56

Expiry Date: SEP 30, 2017

Base Reg. #: 871432I

Control #: D3356046

Block#

S0001 Secured Party: BANK OF MONTREAL/BANQUE DE MONTREAL  
 100 KING ST. W. FCP-B1 LEVEL  
 TORONTO ON M5X 1A3

=D0001 Base Debtor: SHOES.COM TECHNOLOGIES INC.  
 (Business) 450 - 1500 WEST GEORGIA STREET  
 VANCOUVER BC V6G 2Z6

## General Collateral:

LF269 PLEDGE OF INSTRUMENT, ASSIGNMENT OF PROCEEDS  
 INSTRUMENT DESCRIBED AS VARIABLE RATE GIC 0004-9723-402  
 INCLUDING ALL RENEWALS AND REPLACEMENTS THEREOF,  
 SUBSTITUTIONS THEREFOR ACCRETIONS THERETO AND INTEREST,  
 INCOME AND MONEY THEREFROM AND ALL PROCEEDS THEREOF AND  
 THEREFROM INCLUDING ACCOUNTS.

Continued on Page 5

Search Criteria: SHOES.COM TECHNOLOGIES INC.

Page: 5



Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

09/02/2017

**ServiceOntario**[Main Menu](#) [New Enquiry](#)**Enquiry Result**

File Currency: 01FEB 2017

This is Exhibit "C" referred to in the affidavit of Miriam Dominguezsworn before me at Vancouverthis 14<sup>th</sup> day of February, 2017
  
A Commissioner for taking Affidavits  
for British Columbia

Note: All pages have been returned.

Type of Search Business Debtor  
 Search Conducted On SHOES.COM TECHNOLOGIES INC.  
 File Currency 01FEB 2017

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status	
	724527153	1	1	1	1	01FEB 2022		
	FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
	File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
	724527153		001	1		20170201 1242 1590 6213	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor		Business Debtor Name		Ontario Corporation Number
		Address	City	Province Postal Code
		2390 - 1055 WEST HASTINGS STREET	VANCOUVER	BC V6E 2E9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor		Business Debtor Name		Ontario Corporation Number
		Address	City	Province Postal Code

Secured Party	Secured Party / Lien Claimant
	DEANS KNIGHT CAPITAL MANAGEMENT LTD.
	Address City Province Postal Code
	1500 - 999 WEST HASTINGS STREET VANCOUVER BC V6C 2W2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.
---------------------------	------	------	-------	--------

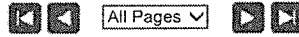
General Collateral Description	General Collateral Description
--------------------------------	--------------------------------

Registering Agent	Registering Agent
-------------------	-------------------

DENTONS CANADA LLP (VANCOUVER)				
Address		City	Province	Postal Code
250 HOWE STREET, 20TH FLOOR		VANCOUVER	BC	V6C 3R8

LAST PAGE

Note: All pages have been returned.

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[ServiceOntario Contact Centre](#)Web Page ID: **WEnqResult**System Date: **02FEB2017**

Last Modified: November 19, 2016

[Privacy](#)[Accessibility](#)[Contact us](#)[FAQ](#)[Terms of Use](#)

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**Dominguez, Miriam**

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**Subject:** FW: Canadian Receivership

**From:** Fox, Gregory [<mailto:FoxG@LanePowell.com>]  
**Sent:** 31-Jan-17 4:22 PM  
**To:** Sandrelli, John  
**Cc:** Jeffries, Tevia; Leaverton, Bruce; [laugesenm@bennettjones.com](mailto:laugesenm@bennettjones.com)  
**Subject:** RE: Canadian Receivership

John,

Thanks for your email. Wells Fargo would like to hold off on the appointment of a receiver over the Canadian parent until we obtain a Washington receiver over the co-borrowers and receive his recommendation on the value/importance of the Canadian parent's assets to the liquidation of the U.S. assets. Wells Fargo will be in a position to make a decision on appointment over the Canadian parent once it receives the receiver's input.



**GREGORY FOX**  
 Shareholder Bio | vCard  
[foxg@lanepowell.com](mailto:foxg@lanepowell.com) D 206.223.7129 C 206.354.3182  
 LANEPOWELL.COM

This is Exhibit " D " referred to in the  
 affidavit of Miriam Dominguez  
 sworn before me at Vancouver  
 this 14<sup>th</sup> day of February, 2017  
 .....  
 A Commissioner for taking Affidavits  
 for British Columbia

**From:** Sandrelli, John [<mailto:john.sandrelli@dentons.com>]  
**Sent:** Tuesday, January 31, 2017 3:21 PM  
**To:** Fox, Gregory <[FoxG@LanePowell.com](mailto:FoxG@LanePowell.com)>; Leaverton, Bruce <[LeavertonB@LanePowell.com](mailto:LeavertonB@LanePowell.com)>;  
[laugesenm@bennettjones.com](mailto:laugesenm@bennettjones.com)  
**Cc:** Jeffries, Tevia <[tevia.jeffries@dentons.com](mailto:tevia.jeffries@dentons.com)>  
**Subject:** Canadian Receivership  
**Importance:** High

Gentlemen,

One further follow up that I intended to come back to.

Putting aside the issue (for now) of what should happen with any funds that may be in the Shoes.com Technologies Inc. bank account, we believe it is in our Clients' collective interest to have a Canadian Receivership appointment extend to both entities in Canada. As you know, there are many parties coming out of the woodwork expressing interest and it seems to us that we would benefit from commencing a process very soon in regards to the domain name, patents, trademarks and other intangible assets. WF would of course have an ability to influence what that process should be, at least until the Senior Obligations Payment Date.

We would appreciate it if you would consider that again as any delay associated with that process will likely erode value. If a call is needed, please let me know.

John

**大成 DENTONS** John R. Sandrelli

Partner

D +1 604 443 7132 | M +1 604 889 3792  
john.sandrelli@dentons.com  
Bio | LinkedIn | Website

Dentons Canada LLP  
20th Floor, 250 Howe Street Vancouver, BC V6C 3R8 Canada

大成 Salans FMC SNR Denton McKenna Long

This professional practises through a Law Corporation.

Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. This email may be confidential and protected by legal privilege. If you are not the intended recipient, disclosure, copying, distribution and use are prohibited; please notify us immediately and delete this email from your systems. To update your commercial electronic message preferences email [dentonsinsightsca@dentons.com](mailto:dentonsinsightsca@dentons.com) or visit our website. Please see dentons.com for Legal Notices.

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This message is private or privileged. If you are not the person for whom this message is intended, please delete it and notify me immediately, and please do not copy or send this message to anyone else.

This is Exhibit " E " referred to in the  
affidavit of Umar Dominguez  
sworn before me at Vancouver  
this 14th day of February, 2012

17-2-02462-7, 12/A

A Commissioner for taking Affidavits  
for British Columbia

**FILED**  
KING COUNTY, WASHINGTON

FEB 02 2017

DEPARTMENT OF  
JUDICIAL ADMINISTRATION

EXP07  
EXP07

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association,

Petitioner,

v.

ONLINESHOES.COM INC., a Washington  
corporation; SHOES.COM, INC., a Delaware  
corporation,

Respondent.

No. 17-2-02462-7SEA

STIPULATED ORDER APPOINTING  
GENERAL RECEIVER

[Clerk's Action Required]

THIS MATTER having come before the Court upon the motion of Wells Fargo Bank, National Association, a national banking association ("Wells Fargo"), a secured creditor of Onlineshoes.com Inc., and Shoes.com, Inc., by and through its counsel, Gregory R. Fox and Bruce W. Leaverton of Lane Powell PC, and Onlineshoes.com Inc., a Washington corporation (formerly known as Gerler and Son, Inc.), and Shoes.com, Inc., a Delaware corporation (hereinafter individually and collectively referred to as the "Debtor"), by and through its counsel; John R. Rizzardi of Cairncross & Hempelmann P.S., for appointment of a general receiver; the parties having stipulated to entry of this Order; and the Court having duly considered the records and files herein and being fully advised in the premises, the Court hereby finds as follows:

A. Wells Fargo extended a revolving credit facility to Debtor (collectively, the "Credit Facility") pursuant to and in accordance with that certain Credit and Security

STIPULATED ORDER APPOINTING GENERAL  
RECEIVER - 1

LANE POWELL PC  
1420 FIFTH AVENUE, SUITE 4200  
P.O. BOX 91302  
SEATTLE, WA 98111-9402  
206.223.7000 FAX: 206.223.7107



1 Agreement dated as of March 31, 2015, by and among Wells Fargo, Debtor, and other loan  
2 parties (as amended from time to time, the "**Credit Agreement**").

3 B. The Credit Facility is secured by a security interest granted by Debtor to Wells  
4 Fargo in substantially all of its assets, including, without limitation, all of Debtor's accounts,  
5 deposit accounts, equipment and fixtures, general intangibles, and inventory (collectively, the  
6 "**Collateral**"), pursuant to and as more fully described in the Credit Agreement.

7 C. Wells Fargo's security interest in the Collateral is properly perfected and of first  
8 priority pursuant to those certain Subordination, Postponement and Standstill Agreements each  
9 dated as of March 31, 2015, between Wells Fargo, Debtor, Deans Knight Capital Management  
10 Ltd. ("**Deans Knight**"), and Caleres Investment Company, Inc. (formerly known as Brown  
11 Shoe Investment Company, Inc. and herein as "**Caleres**"), and that certain Subordination  
12 Agreement dated as of March 31, 2015, between Wells Fargo and Daniel Gerler (together with  
13 Deans Knight and Caleres, the "**Subordinated Creditors**"). Accordingly, Wells Fargo has an  
14 interest in Debtor's business, assets, and the Collateral that is a subject of the action.

15 D. Debtor announced on January 27, 2017, that it was shutting down its operations  
16 and intended to work with its secured lenders to liquidate its assets. Debtor has laid off most of  
17 its workforce and took its e-commerce sites offline.

18 E. Debtor is in default under the Credit Agreement.

19 F. The Collateral and its revenue producing potential are in danger of being lost or  
20 materially injured or impaired.

21 G. A receiver is reasonably necessary to protect and preserve the Collateral, and to  
22 avoid further loss, injury and impairment to the Collateral.

23 H. Wells Fargo and Debtor expressly consent to the appointment of a receiver to  
24 liquidate Debtor's assets and stipulate to entry of this Order.

25 I. Joint administration of Debtor is warranted in that Debtor shares common  
26 management, corporate officers, business location(s), administrative and operational services,  
27

STIPULATED ORDER APPOINTING GENERAL  
RECEIVER - 2

122084.0017/6862997.4

LANE POWELL PC  
1420 FIFTH AVENUE, SUITE 4200  
P.O. BOX 91302  
SEATTLE, WA 98111-9402  
206.223.7000 FAX: 206.223.7107

1 and each Debtor is a co-borrower and obligor under the Credit Agreement and a primary obligor  
2 or guarantor under the outstanding loans of the Subordinated Creditors.

3 J. Oswego Group LLC, doing business as Inverness Group ("**Inverness Group**"),  
4 is qualified to act as a general receiver for the Debtor and its assets, including but not limited to  
5 the Collateral.

6 THEREFORE, IT IS HEREBY ORDERED THAT:

7 1. Appointment. Inverness Group (hereinafter referred to as the "**Receiver**") is  
8 appointed as the general receiver with respect to each Debtor entity and their operations (the  
9 "**Business**"), assets and all the tangible and intangible real and personal property, including but  
10 not limited to the Collateral (together, with the Business, the "**Assets**"), wherever located and  
11 with respect to all products and proceeds thereof, with authority to take exclusive possession  
12 and control of the Assets pursuant to the terms of this Order and RCW 7.60. The Receiver shall  
13 not be subject to the control of any party to this proceeding, but shall be subject only to the  
14 Court's direction in the fulfillment of the Receiver's duties. The appointment of the Receiver  
15 shall be effective on the date that the Receiver files the bond required under paragraph 2 below  
16 (the "**Effective Date**").

17 2. Bond. Within five (5) court days following entry of this Order, the Receiver  
18 shall execute and file with the Court either cash or a bond in the amount of \$10,000 with a  
19 surety authorized by the Washington Commissioner of Insurance to engage in the business of  
20 suretyship in the state of Washington, in favor of the Clerk of the King County Superior Court,  
21 on the condition that the Receiver will faithfully discharge the duties of Receiver in this action  
22 and obey the orders of the Court herein. The Receiver is authorized to pay (or be reimbursed  
23 for) any premium or other fee of the surety providing such bond from the Assets, as an expense  
24 of the Receiver, without further order of this Court.

25 3. Schedules. To the extent the Receiver is unable to meet the deadline to file  
26 schedules imposed by RCW 7.60.090, the Receiver shall have an additional twenty (20) days  
27

STIPULATED ORDER APPOINTING GENERAL  
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1 to complete these tasks, provided the Receiver advises Wells Fargo that the Receiver requires  
2 additional time.

3 4. Authority of the Receiver. Unless and until otherwise ordered by the Court, the  
4 Receiver shall be a General Receiver as defined in RCW 7.60.015, and with the power, rights  
5 and authority vested in it by RCW 7.60.060. In addition:

6 a. The Receiver is authorized to (i) sell the Assets, whether in bulk, or in  
7 parts, and whether as a going concern or by liquidation, and (ii) wind up Debtor's affairs,  
8 pursuant to RCW 7.60.260. The Receiver's sale(s) of the Assets shall be free and clear of liens  
9 and of all rights of redemption, whether or not the sale will generate proceeds sufficient to fully  
10 satisfy all claims secured by the Assets. Upon any sale free and clear of liens in accordance  
11 with this Order, all security interests and other liens encumbering the property conveyed or  
12 transferred shall attach to the proceeds of the sale, net of reasonable expenses incurred in the  
13 disposition of the property and receivership expenses allocated to the disposition of the  
14 property, in the same order, priority, and validity as any liens had with respect to the property  
15 immediately before the conveyance.

16 b. The Receiver may, but is not required to, open and maintain such bank  
17 accounts as may be necessary for the deposit of monies collected or received by the Receiver.  
18 Such bank accounts shall be opened and maintained with Wells Fargo. The deposits or proceeds  
19 of deposits deposited in Debtor's bank accounts may be transferred to the Receiver's account  
20 at Wells Fargo. To the extent that any account is opened by the Receiver in its name, the  
21 account and the proceeds therein shall be subject to the security interest of Wells Fargo, without  
22 the need for Wells Fargo to take any further action to perfect its security interest; provided,  
23 however, that the Receiver shall execute any document reasonably requested by Wells Fargo to  
24 ensure the perfection of the security interest in its favor.

25 c. The Receiver, in the performance of the Receiver's duties, may employ  
26 such persons as the Receiver deems appropriate, including current employees of Debtor or its  
27 affiliates, in connection with the Receiver's management, operation, and liquidation of the

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1 Assets. All such persons, including any persons who may also be directors, officers or  
 2 employees, shall be subject to the management and direction of the Receiver in connection with  
 3 their performance of any duties associated with such employment by the Receiver. The  
 4 Receiver shall be free at all times to terminate the employ of any such person.

5 d. The Receiver has standing and is authorized, but not required, to bring  
 6 and prosecute actions for the recovery of Assets in the possession of third-parties and for  
 7 collection of any sums now or hereafter owing to Debtor or the Receiver. The Receiver may  
 8 undertake its collection duties in Debtor's and the Receiver's name in assisting him with the  
 9 collection of Debtor's uncollected accounts receivable and other claims. The Receiver may  
 10 alter the place of payment, settle, compromise, and otherwise take all actions necessary to  
 11 collect all outstanding accounts receivable and payment intangibles of Debtor, without further  
 12 order of the Court and to liquidate all other Assets, including without limitation, notifying  
 13 account debtors to pay the Receiver directly the proceeds of all outstanding accounts receivable.  
 14 A copy of this Order may be remitted to account debtors and other obligors and may be relied  
 15 upon by such obligors as authority to pay the Receiver solely and directly. Any account debtor  
 16 who makes payment to the Receiver shall have full credit in the amount of such payment with  
 17 respect to its obligations owing to Debtor.

18 e. The Receiver shall have the power to do all things which the owner of  
 19 the Assets might do in the ordinary course of business as a going concern or use of the Assets  
 20 including but not limited to, and without further order of the Court, the purchase or acquisition  
 21 of such goods, materials, services and supplies as the Receiver deems to be necessary or  
 22 appropriate to preserve, protect and liquidate the Assets. The Receiver's payment of expenses  
 23 it incurs in the ordinary course of the Business, including but not limited to payroll, payroll  
 24 taxes, employee benefits, rent, web hosting, utilities, insurance, taxes, and maintenance shall  
 25 not require prior approval of the Court, provided that such expenses are consistent with the  
 26 Budget.

27 f. The Receiver, without further order of the Court, in its sole discretion, is

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1 authorized to perform or contract for accounting, consulting and tax services with respect to the  
2 Assets, as necessitated by this proceeding or as may be required by law in the performance of  
3 the Receiver's duties.

4 g. The Receiver, in its discretion, may delegate performance of certain of  
5 the Receiver's clerical and accounting duties and functions, and may employ such attorneys or  
6 other professionals as the Receiver may require in connection with the proper performance of  
7 the Receiver's duties.

8 h. The Receiver is authorized to make such repairs, replacements,  
9 alterations or improvements to the Assets as the Receiver determines to be prudent or necessary.  
10 Unless otherwise ordered by the Court, the Receiver is not obligated to undertake, and will have  
11 no liability for any remediation or cleanup with respect to hazardous materials presently  
12 existing under, on or about any real property used, occupied or operated by Debtor.

13 5. Investigation. The Receiver, to the extent that sufficient funds are available,  
14 shall investigate the Business, financial condition and other circumstances and prospects of  
15 disposing of the Assets and shall, subject to the terms of this Order, be authorized without  
16 further order of this Court, to have the exclusive power and authority to manage, operate, lease,  
17 maintain and control the Assets.

18 6. Records Systems. The Receiver shall establish and maintain such accounting,  
19 bookkeeping and record-keeping systems as the Receiver determines to be advisable in the  
20 Receiver's business judgment in connection with its operation and management of the Business  
21 and Assets.

22 7. Cash Collateral. Wells Fargo holds a first priority perfected security interest  
23 against substantially all Assets of Debtor, including, but not limited to, all cash, accounts  
24 receivable, collections and cash proceeds of Collateral (the "Cash Collateral").  
25 Notwithstanding anything to the contrary herein, the Receiver may only use the Cash Collateral  
26 pursuant to rolling 13-week budget forecasts (each, a "Budget") to be approved by Wells Fargo,  
27 in its discretion.

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8. Receiver's Compensation. The Receiver is authorized to pay Inverness Group compensation at the rate of \$375.00 per hour for John Davidson, and the lower standard rates of his staff, and to reimburse its expenses pursuant to paragraphs 11-12 below.

9. Professionals/Attorneys. The Receiver may retain attorneys, accountants and other professional services to assist him in carrying out his obligations as Receiver, including but not limited to the following: The law firm of Schwabe, Williamson & Wyatt PC ("Schwabe") is hereby authorized and appointed to act as attorneys for the Receiver and, subject to the provisions of paragraphs 11-12 below, shall be paid for all services at the regular hourly rates of any attorneys and paralegals of the firm, subject to the cap below. Attorney Alex I. Poust shall be the lead attorney for the Receiver. His rate, and the rate of other Schwabe attorneys, shall not exceed \$450 per hour.

10. Receiver's Authority to Incur Indebtedness. In the event that the Receiver determines that there are inadequate funds being generated from the operation of the Business to fund the expenses of the Receivership, Wells Fargo may, without further order of the Court, in its sole discretion and at the request of the Receiver, advance such funds as are deemed necessary by the Receiver, in its sole discretion, for the purpose of protecting, preserving and liquidating the Assets, and that any and all such funds advanced by Wells Fargo to the Receiver shall be charged against and paid out of the Receivership and shall be entitled to a first and paramount lien against the Business, Collateral and Assets (the "**Wells Fargo Priming Lien**").

11. Payment of the Receiver's and Professionals' Fees and Costs. Following the Effective Date, the Receiver is authorized to disburse funds from the Receivership estate, including, without limitation, the Collateral, as payment for its fees and costs and for the fees and costs of its professionals on a periodic basis, but in any event not more than monthly, as follows:

a. The Receiver shall file a notice of its proposed compensation and that of its professionals (the "**Compensation Notice**") and serve such Compensation Notice, together with a reasonably detailed description of the relevant time periods, services rendered, and

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1 amount of compensation requested on: (i) Wells Fargo, (ii) Debtor, (iii) all persons that have  
2 requested notice in this Receivership; and (iv) any person that has, to the Receiver's actual  
3 knowledge, asserted any lien against the Assets. If no person objects to the proposed  
4 disbursement within ten (10) calendar days following the date of service of the Compensation  
5 Notice, the proposed disbursement shall be deemed approved as being fully and finally earned  
6 without further order or leave of the Court.

7           b. If any person wishes to object to a proposed disbursement described in  
8 the Compensation Notice, or any portion thereof, such person shall deliver a written objection  
9 to the Receiver, Schwabe, and all persons upon which the Compensation Notice was served,  
10 that details the nature of the objection within the ten-day objection period set forth above. If  
11 the Receiver or affected professionals cannot consensually resolve the dispute with the  
12 objecting person or if the dispute is not resolved within thirty (30) days of the date of the  
13 objection, the objecting party may file a motion with the Court to resolve the objection. If the  
14 objecting party does not file such motion no sooner than thirty (30) days and no later than forty-  
15 five (45) days after the date of service of the Compensation Notice, the objection will be deemed  
16 withdrawn and the Receiver may pay itself and all other professionals as set forth in the  
17 Compensation Notice.

18           c. In the event the Receivership estate is without sufficient liquid cash  
19 funds to defray on a current basis the reasonable fees and costs earned and incurred by the  
20 Receiver and its professionals and the expenses of this Receivership or any of the projected  
21 future fees, costs, and expenses of the Receivership, and Wells Fargo elects not to advance such  
22 funds, good cause for termination of the Receivership shall be deemed to exist and, upon  
23 application by the Receiver and/or any of its professionals, establishing such lack of funding  
24 for the Receivership, the appointment of the Receiver and/or its professionals shall be  
25 terminated and, provided that the security instruments of Wells Fargo and the Subordinated  
26 Creditors and any other secured parties shall survive such termination and the Assets shall be  
27 distributed as the Court may then direct.

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d. Any secured creditor who receives notice of the Receivership pursuant to RCW 7.60.200 and fails to seek the removal of the Receiver or dismissal of the Receivership, within thirty (30) days following the date upon which notice is mailed to creditors, shall be deemed to have consented to the Receivership only for the purposes of RCW 7.60.230(1)(b); provided, however, that pursuant to the provisions of this Order and the applicable provisions contained in RCW 7.60 *et seq.*, any secured creditor shall have the right to object to the amount of any administrative expenses, including, without limitation, the fees, charges and expenses of the Receiver, its attorneys and other professional persons, entitled to priority over the claims of such secured creditor pursuant to RCW 7.60.230(1)(b).

12. Surcharging Lien. The approved fees and costs of the Receiver and its attorneys or other professionals employed by it pursuant to the authority granted by this court, together with all other necessary and reasonable expenses incurred by this receivership in connection with preserving, protecting or disposing of Assets, and to the extent consistent with the Budget, shall be a first and paramount surcharging lien against the Assets, with priority over all other persons claiming an interest in or lien upon the Assets (the "**Receiver Lien**"), with the exception of any Wells Fargo Priming Lien. Wells Fargo agrees that in the event of termination of this Receivership, following payment of the Wells Fargo Priming Lien, if any, it will allow the use of its Cash Collateral for the approved costs and fees of the Receiver, its counsel and employees incurred in compliance with the Budget.

13. Receiver Reports. The Receiver shall file with the Court a monthly report of the Receiver's operations and financial affairs of Debtor in accordance with RCW 7.60.100. Each report of the Receiver shall be due by the last day of the subsequent month and shall include the following:

- a. A balance sheet;
- b. An inventory report;
- c. A statement of income and expenses;
- d. A statement of cash receipts and disbursements;

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1 e. A statement of accrued accounts receivable and credit card receivable of  
2 the Receiver, which shall disclose amounts considered to be uncollectable; and

3 f. A summarized statement of accounts payable of the Receiver, including  
4 professional fees.

5 The first such report shall be due on the last day of the month following entry of this  
6 Order, for the period after the Receivership is commenced.

7 14. Executory Contracts and Unexpired Leases. The Receiver is authorized to  
8 assume or reject executory contracts and unexpired leases of Debtor, as the Receiver deems to  
9 be in the best interests of the creditors generally, provided such assumption or rejection shall  
10 require a further order of this Court upon appropriate notice to the parties in accordance with  
11 RCW 7.60.130.

12 15. Abandonment. In accordance with RCW 7.60.150, the Receiver, upon order of  
13 the Court following notice and a hearing, and upon the conditions or terms the Court considers  
14 just and proper, may abandon any estate property that is burdensome to the Receiver or is of  
15 inconsequential value or benefit. Property that is abandoned shall no longer constitute estate  
16 property.

17 16. Services/Tax Returns. The Receiver is authorized to perform and/or direct  
18 performance of legal, accounting, consulting and tax services with respect to the Assets, as  
19 necessitated by this proceeding or by law in connection with the performance of the Receiver's  
20 duties. Subject to the availability of funding, the Receiver shall cause to be paid when due all  
21 taxes and withholdings, and all workers' compensation, industrial insurance or similar  
22 premiums or payments, which Receiver incurs and becomes obligated to pay on behalf of the  
23 Debtor after the Effective Date as regards the Business or Collateral. Nothing in this Order  
24 shall be construed as imposing any liability on the Receiver for: (a) any taxes, of any kind,  
25 which accrued prior to the date of the entry of this Order, and (b) any obligations of Debtor  
26 arising prior to the date of the entry of this Order. The Receiver shall have no obligation to file  
27 tax returns on behalf of Debtor.

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1        17.    Preservation of Licenses. The Receiver in his sole discretion is authorized to  
2 acquire or renew, or seek reinstatement of all governmental licenses, permits or other  
3 authorizations, either in the Receiver's name or in the name of Debtor, pertaining to the Assets  
4 or any aspect of the Business.

5        18.    Insurance. The Receiver in his sole discretion is authorized to review all existing  
6 insurance coverage with respect to the Assets and to procure and/or maintain such insurance as  
7 the Receiver deems to be necessary to preserve and protect the Assets. With respect to any  
8 insurance coverage in existence or obtained, the Receiver shall be named as an additional  
9 insured on the policies for the period of the receivership. If sufficient insurance coverage does  
10 not exist, the Receiver shall procure sufficient all-risk and liability insurance on the Assets  
11 (excluding earthquake and flood insurance) provided, however, that if the Receiver does not  
12 have sufficient funds to do so, the Receiver shall seek instructions from the Court with regard  
13 to adequately insuring the Assets. The Receiver shall not be responsible for claims arising from  
14 the lack of procurement or inability to obtain insurance.

15        19.    Preservation of Assets. Unless and until otherwise ordered by the Court, and  
16 except as otherwise expressly provided by this Order or by other order of this Court, the  
17 Receiver is authorized to do all other things determined by the Receiver to be reasonably  
18 necessary or incidental to the performance of the Receiver's duties, for the purpose of  
19 protecting, enhancing and preserving the Assets.

20        20.    Joint Administration. The Receiver shall jointly administer the Debtor under  
21 this cause number, but shall treat each Debtor entity and the Assets it owns as a separate  
22 receivership estate and shall segregate the Assets and creditors for claim purposes; provided,  
23 however, that the Receiver's reports required under paragraph 13 hereof may be consolidated  
24 and each presented as a single report.

25        21.    No Receiver Liability. No obligation incurred by the Receiver in the good faith  
26 performance of the Receiver's duties, whether pursuant to contract, by reason of any tort, or  
27 otherwise, shall be the Receiver's personal obligation. Rather, the recourse of any person or

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1 entity to whom the Receiver becomes obligated in the good faith performance of the Receiver's  
2 duties shall be solely against the Assets. Notwithstanding any provisions of this Order which  
3 may be construed otherwise, the Receiver shall not be required to expend any of its own funds  
4 to comply with any of the provisions of this Order.

5 22. Duty of Cooperation. Debtor, and its existing or former officers, directors,  
6 managers, employees, agents, accountants and attorneys, shall provide reasonable cooperation  
7 with the Receiver in connection with the Receiver's assumption and performance of the  
8 Receiver's duties, so as to enable the Receiver to assume and perform the Receiver's duties  
9 without jeopardy to the Assets. Debtor and its existing or former directors, officers, managers,  
10 employees, agents, accountants and attorneys shall provide the Receiver promptly upon request  
11 with all documents and records (including but not limited to financial records) and all  
12 information and with access to the Assets, and all employees of Debtor (both within or without  
13 the state of Washington), which the Receiver at any time may request from it. Nothing shall  
14 preclude Debtor and its existing officers, directors, managers, employees, agents, accountants  
15 and attorneys from requesting from the Receiver, or applying to this Court, for reasonable  
16 compensation for services or costs associated with complying with this paragraph or any  
17 provision of this Order. Nothing in this Order shall be construed as requiring the Receiver to  
18 pay any such requested compensation absent the Receiver's consent or further order of the  
19 Court following proper notice and a hearing. Debtor and its existing or former directors,  
20 officers, managers, employees, agents, accountants and attorneys are hereby enjoined from  
21 obstructing, delaying or interfering with the Receiver in the performance of the Receiver's  
22 duties.

23 23. No Appraisal or Inventory Required. Except as provided in paragraph 13.b.  
24 herein, the Receiver is excused from seeking an independent professional appraisal of the  
25 Assets or filing an inventory, absent a further order of this Court.

26 24. Utilities. Any utility company providing services to Debtor, including gas,  
27 electricity, water, sewer, trash collection, telephone, communications or similar services, shall

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1 be prohibited from discontinuing service based upon unpaid bills incurred by Debtor. Further,  
2 such utilities shall transfer any deposits held by the utility to the exclusive control of such  
3 Receiver and be prohibited from demanding that the Receiver deposit additional funds in  
4 advance to maintain or secure such services.

5 25. Mail. Receiver may issue demand that the U. S. Postal service grant exclusive  
6 possession and control of mail including postal boxes as may have been used by Debtor, and  
7 may direct that certain mail related to Debtor and the Assets be redirected to Receiver.

8 26. Further Construction. If the Receiver is at any time uncertain as to the scope of  
9 the Receiver's authority or as to any matter affecting or relating to the performance of the  
10 Receiver's duties, the Receiver shall be free to seek and obtain instructions from this Court with  
11 respect to such matters upon motion and notice to the parties. The Receiver at any time may  
12 apply for a modification of this Order or for further powers, if such a modification or further  
13 powers are considered by the Receiver to be necessary for the performance of the Receiver's  
14 duties or for the preservation or protection of the Assets.

15 27. Discharge/Final Report. The Receiver shall continue to perform the duties  
16 provided for by this Order until the Receiver is discharged by order of this Court. Upon  
17 distribution or disposition of all property of the estate, or the completion of the Receiver's duties  
18 with respect to estate property, the Receiver shall move the Court to be discharged. The  
19 Receiver shall file a final report and accounting setting forth all receipts and disbursements of  
20 the estate which shall be annexed to the petition for discharge and filed with the court. Upon  
21 approval of the final report, the court shall discharge the Receiver and exonerate the Receiver's  
22 bond. The Receiver's discharge shall release the Receiver from any further duties and  
23 responsibilities as receiver under RCW 7.60 *et. seq.*

24 28. Jurisdiction. This Court shall retain jurisdiction over any disputes arising from  
25 the receivership, or relating to the Receiver, which jurisdiction shall be exclusive and shall  
26 survive the termination of the receivership.


27  
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ENTERED this 2 day of February, 2017.

  
JUDGE/COURT COMMISSIONER

Approved for Entry;  
Presented by:

LANE POWELL PC

By /s/ Bruce W. Leaverton

Bruce W. Leaverton, WSBA No. 15329

Gregory R. Fox, WSBA No. 30559

Attorneys for Petitioner Wells Fargo Bank,  
National Association

Stipulated and Agreed;  
Notice of Presentation Waived:

CAIRNCROSS & HEMPELMANN P.S.

By /s/ John R. Rizzardi

John R. Rizzardi, WSBA No. 9388

Attorneys for Respondent Onlineshoes.com  
Inc., and Shoes.com, Inc.

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**Dominguez, Miriam**

---

**Subject:** FW: Shoes.com Technologies, Inc./Notice of Intention to Enforce Security  
**Attachments:** Notice of Intention to Enforce Security dated February 8, 2017.pdf

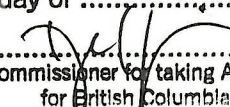
**From:** Norby, Annie [mailto:NorbyA@LanePowell.com]  
**Sent:** 8-Feb-17 2:36 PM  
**To:** JeffreyM@shoes.com; jahuja@meplaw.ca  
**Cc:** Sandrelli, John; wfseabaugh@bryancave.com; smhosler@bryancave.com; Fox, Gregory; Leaverton, Bruce; Kevin.Freer@wellsfargo.com; Mark Laugesen  
**Subject:** Shoes.com Technologies, Inc./Notice of Intention to Enforce Security

Gentlemen,

Please see the attached. Hard copies will follow via overnight delivery, FedEx tracking numbers 8657 0197 0771 (Shoes.com Technologies, Inc.) and 8657 0197 0782 (MEP).



**ANNIE NORBY**  
**Paralegal**  
 norbya@lanepowell.com  
 D 206.223.7076 C 206.954.8137  
 LANEPOWELL.COM

This is Exhibit " F " referred to in the  
 affidavit of Miriam Dominguez  
 sworn before me at Vancouver  
 this 14<sup>th</sup> day of February, 2017  
  
 A Commissioner for taking Affidavits  
 for British Columbia

This message is private or privileged. If you are not the person for whom this message is intended, please delete it and notify me immediately, and please do not copy or send this message to anyone else.

## NOTICE OF INTENTION TO ENFORCE SECURITY

**TO:** Shoes.com Technologies, Inc., f/k/a 1006903 B.C. Ltd., ("**Shoes.com Technologies**")

### TAKE NOTICE THAT:

1. Wells Fargo Bank, National Association ("**Wells Fargo**"), a secured creditor, intends to enforce its security against:

- (a) all of Shoes.com Technologies' domain names (including "Shoes.com"), patents, and trademarks, wherever located;
- (b) all monies, securities and other property of Shoes.com Technologies in the possession of or on deposit with Wells Fargo;
- (c) all indebtedness owed by "Onlineshoes.com Inc." and "Shoes.com, Inc." to Shoes.com Technologies; and
- (d) all rights with respect to all of the foregoing and proceeds of all of the foregoing,

all as more particularly described in the body and schedules to the Security (as defined below).

2. The Security that is to be enforced is in the form of:

- (a) a Security Agreement dated as of March 31, 2015, between Shoes.com Technologies and Wells Fargo; and
- (b) a Continuing Guaranty executed on or around March 31, 2015, given by Shoes.com Technologies in favor of Wells Fargo;

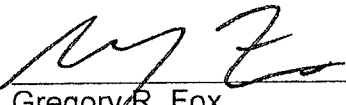
(together, the "**Security**").

3. As at January 31<sup>st</sup>, 2017, the total amount of indebtedness secured by the Security was U.S. \$3,783.211.56, plus interest, attorneys' fees, costs and expenses.

4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Seattle, Washington, this 8<sup>th</sup> day of February, 2017.

Lane Powell PC

A handwritten signature in black ink, appearing to read 'Gregory R. Fox', is written over a horizontal line.

Gregory R. Fox  
Attorneys for Wells Fargo Bank, National  
Association

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Fax: +1 604 638 7441

February 9, 2017

John Sandrelli  
Dentons Canada LLP  
20<sup>th</sup> Floor, 250 Howe Street  
Vancouver, BC V6C 3R8

Dear Mr. Sandrelli:

**Re: In the Matter of the Receivership of Shoes.com Technologies Inc.**

This letter serves to confirm the consent of the undersigned, Alvarez & Marsal Canada Inc., to act as the Court appointed receiver or receiver and manager of the property, assets and undertakings of Shoes.com Technologies Inc. should a Court Order be granted in this matter.

Yours very truly,  
**Alvarez & Marsal Canada Inc.**

Todd M. Martin  
Senior Vice President

This is Exhibit " G " referred to in the  
affidavit of Umar Dominguez  
sworn before me at Vancouver  
this 14<sup>th</sup> day of February, 2017  
  
A Commissioner for taking Affidavits  
for British Columbia

**Dominguez, Miriam**

**From:** Jeffries, Tevia  
**Sent:** 14-Feb-17 5:26 PM  
**To:** laugesenm@bennettjones.com  
**Cc:** Sandrelli, John; Dominguez, Miriam  
**Subject:** 2017-02-14 \_ Draft Receivership Order - Shoes.com (with WF additions).DOCX  
**Attachments:** 2017-02-14 \_ Draft Receivership Order - Shoes.com (with WF additions).DOCX

Mark,

Please confirm the consent of Wells Fargo Bank, National Association to entry of an order in the form attached appointing Alvarez & Marsal Canada Inc. as receiver over the assets and undertakings of Shoes.com Technologies Inc.

Best regards,  
 Tevia



Tevia Jeffries  
 Partner

D +1 604 691 6427  
 tevia.jeffries@dentons.com  
 Bio | Website

Dentons Canada LLP  
 20th Floor, 250 Howe Street Vancouver, BC V6C 3R8 Canada

大成 Salans FMC SNR Denton McKenna Long

This is Exhibit " H " referred to in the  
 affidavit of Miriam Dominguez  
 sworn before me at Vancouver  
 this 14<sup>th</sup> day of February, 2017  
 .....  
 A Commissioner for taking Affidavits  
 for British Columbia

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## SCHEDULE "B"

No. S-171026  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF  
SHOEME TECHNOLOGIES LIMITED.  
SHOES.COM TECHNOLOGIES INC.

DEANS KNIGHT CAPITAL MANAGEMENT LTD.

PETITIONER

- and -

SHOEME TECHNOLOGIES LIMITED  
SHOES.COM TECHNOLOGIES INC.

RESPONDENTS

**ORDER MADE AFTER APPLICATION**  
(Receivership Order)

BEFORE THE HONOURABLE ) \_\_\_\_\_ DAY, THE \_\_\_\_ DAY  
 )  
\_\_\_\_\_ JUSTICE \_\_\_\_\_ ) OF FEBRUARY, 2017.  
 )

ON THE APPLICATION of Petitioner, without notice, for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "**LEA**") appointing **ALVAREZ & MARSAL CANADA INC.** as Receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of **SHOES.COM TECHNOLOGIES INC.** (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Notice of Application dated February 14, 2017, the Affidavit #1 of Dillon Cameron sworn February 2, 2017, the Affidavit #1 of Miriam Dominguez sworn February 2, 2017, the Affidavit #2 of Dillon Cameron sworn February 14, 2017, the Affidavit #2 of Miriam Dominguez sworn February 14, 2017, and the consent of Alvarez & Marsal Canada Inc. to act as the Receiver; AND ON HEARING John Sandrelli, counsel for Deans Knight Capital Management

Ltd., and other counsel listed on Schedule "A" hereto, and on the Court's being satisfied that it is appropriate to make this Order without notice.

THIS COURT ORDERS AND DECLARES that:

#### **APPOINTMENT**

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, **ALVAREZ & MARSAL CANADA INC.** is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including all proceeds thereof (the "Property").

#### **RECEIVER'S POWERS**

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the other business, or cease to perform any contracts of the Debtor;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
  - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
  - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;



- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to assign the Debtor into bankruptcy with the Official Receiver naming Alvarez & Marsal Canada Inc. or some other Licensed Insolvency Trustee as Trustee;
- (m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 (the "**BC PPSA**") shall not be required;

- (n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

3. Each of (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access

to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

6. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

7. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

8. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any

regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

#### **NO INTERFERENCE WITH THE RECEIVER**

9. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

10. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

11. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

#### **EMPLOYEES**

12. Subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment

of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

14. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

### LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
  - (a) any gross negligence or wilful misconduct on its part; or
  - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

### RECEIVER'S ACCOUNTS

16. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the **"Receiver's Charge"**) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to:
  - (a) Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA; and
  - (b) the security interest of Wells Fargo Bank, National Association (**"Wells Fargo"**) in the Debtor's trademarks, patents and "shoes.com" domain name, together with all proceeds thereof (the **"Wells Fargo Collateral"**).
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of

time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to:

- (a) the Receiver's Charge;
- (b) the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA; and
- (c) the security interest of Wells Fargo in the Wells Fargo Collateral.

- 20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
- 21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the **"Receiver's Certificates"**) for any amount borrowed by it pursuant to this Order.
- 22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **ALLOCATION**

- 23. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### **GENERAL**

- 24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 25. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
- 26. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an

officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. The Receiver is hereby authorized and directed to cooperate, in its discretion and in accordance with its powers and duties hereunder, with Inverness Group in its capacity as the general receiver (the “**US Receiver**”) with respect to each of Onlineshoes.com Inc. and Shoes.com, Inc. (the “**US Debtors**”), appointed pursuant to a Stipulated Order of the Superior Court of Washington for King County in *Wells Fargo Bank, National Association v. Onlineshoes.com Inc., et al.*, King County Superior Court Cause No. 17-2-02462- SEA (the “**US Receivership**”), filed February 2, 2017.
28. Notwithstanding any other provision of this Order, the US Receiver shall have full and unfettered rights to use the Shoes.com domain name, the Shoes.com brand, and any and all other assets of the Debtor shared with, licensed to, or used by the US Debtors in the ordinary course prior to the commencement of the US Receivership (all such assets, collectively, the “**Licensed IP Assets**”) for the purpose of realizing on the shoe inventory of the US Debtors in the context of the administration of the US Receivership, and nothing in this Order shall preclude or adversely affect the US Receiver’s right to market and sell the assets of the US Debtors in the context of the US Receivership; and the Receiver is hereby directed not to interfere with the US Receiver’s rights as reflected in this paragraph.
29. The Receiver shall not close any sale of the Licensed IP Assets (or that portion of the assets of the Debtor which comprise the Wells Fargo Collateral), until earlier of:
  - (a) the repayment in full of all amounts owing to Wells Fargo in the US Receivership, or
  - (b) the written consent to such sale is provided by Wells Fargo.
30. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. Wells Fargo’s security interest in the Wells Fargo Collateral is hereby deemed to rank in priority to the security interest of the Petitioner in the Wells Fargo Collateral.
32. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner’s security or, if not so provided by the Petitioner’s security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor’s estate with such priority and at such time as this Court may determine.



33. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
34. Endorsement of this Order by counsel appearing on this application other than the Petitioner is hereby dispensed.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

---

*John Sandrelli*  
lawyer for the Petitioner

BY THE COURT

---

DISTRICT REGISTRAR

## Schedule "A"

Counsel	Party

## SCHEDULE "B"

## RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT

\$ \_\_\_\_\_

1. THIS IS TO CERTIFY that **ALVAREZ & MARSAL CANADA INC.**, the **Receiver** (the "**Receiver**") of all of the assets, undertakings and properties of SHOES.COM TECHNOLOGIES INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the \_\_\_\_\_ day of February, 2017 (the "**Order**") made in SCBC Action No. S-171026 has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the \_\_\_\_\_ day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_ 2017.

Alvarez & Marsal Canada Inc., solely in its  
capacity as Receiver of the Property, and not  
in its personal capacity

---

Per: Alvarez & Marsal Canada Inc.  
Name: Todd Martin  
Title: Senior Vice President

**Dominguez, Miriam**

**From:** Mark Laugesen <LaugesenM@bennettjones.com>  
**Sent:** 14-Feb-17 5:32 PM  
**To:** Jeffries, Tevia  
**Cc:** Sandrelli, John; Dominguez, Miriam; Fox, Gregory  
**Subject:** RE: 2017-02-14 \_ Draft Receivership Order - <http://Shoes.com> (with WF additions).DOCX

Tevia:

I confirm that my client, Wells Fargo Bank, National Association, consents to the order in the specific form attached appointing Alvarez & Marsal Canada Inc. as receiver over the assets and undertakings of Shoes.com Technologies Inc.

Thank you.

Regards.

Mark

Mark S. Laugesen  
 Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4  
 P. 416 777 4802 | F. 416 863 1716  
 E. [laugesenm@bennettjones.com](mailto:laugesenm@bennettjones.com)

This is Exhibit " I " referred to in the  
 affidavit of Miriam Dominguez  
 sworn before me at Vancouver  
 this 14 day of February, 2017  
  
 A Commissioner for taking Affidavits  
 for British Columbia

**From:** Jeffries, Tevia <[tevia.jeffries@dentons.com](mailto:tevia.jeffries@dentons.com)>  
**Date:** Tuesday, Feb 14, 2017, 8:26 PM  
**To:** Mark Laugesen <[LaugesenM@bennettjones.com](mailto:LaugesenM@bennettjones.com)>  
**Cc:** Sandrelli, John <[john.sandrelli@dentons.com](mailto:john.sandrelli@dentons.com)>, Dominguez, Miriam <[miriam.dominguez@dentons.com](mailto:miriam.dominguez@dentons.com)>  
**Subject:** 2017-02-14 \_ Draft Receivership Order - <http://Shoes.com> (with WF additions).DOCX

Mark,

Please confirm the consent of Wells Fargo Bank, National Association to entry of an order in the form attached appointing Alvarez & Marsal Canada Inc. as receiver over the assets and undertakings of Shoes.com Technologies Inc.

Best regards,  
 Tevia



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