

Court File No.: \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE  
R.S.J. MORAWETZ

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FRIDAY, THE 7TH  
DAY OF APRIL, 2017

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

**AND IN THE MATTER OF PAYLESS HOLDINGS LLC, PAYLESS  
SHOESHOURCE CANADA INC, PAYLESS SHOESOURCE GP INC AND THE  
OTHER ENTITIES LISTED ON SCHEDULE "A" HERETO**

**APPLICATION OF PAYLESS HOLDINGS LLC UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED**

**SUPPLEMENTAL ORDER  
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Payless Holdings LLC in its capacity as the foreign representative (the "**Foreign Representative**") of Payless ShoeSource Canada Inc., Payless ShoeSource GP Inc. and Payless ShoeSource Canada LP together with the other entities listed in Schedule "A" hereto (collectively. the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Michael Schwindle sworn April 6, 2017 (the "**Schwindle Affidavit**"), filed, the Report of the proposed Information Officer and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer and counsel for the DIP ABL Lenders, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of ● sworn April ●, 2017:

## **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Schwindle Affidavit.

## **INITIAL RECOGNITION ORDER**

3. THIS COURT ORDERS that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of the date hereof (the “**Recognition Order**”), provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

## **RECOGNITION OF FOREIGN ORDERS**

4. THIS COURT ORDERS that the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the Eastern District of Missouri made in the Foreign Proceeding (as defined in the Recognition Order) are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:
  - (a) Order Authorizing *Payless Holdings LLC* to Act as Foreign Representative on Behalf of the Debtors’ Estates (the “**Foreign Representative Order**”);
  - (b) *Interim Order (I) Authorizing Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority*

*Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief (the “**Interim DIP Order**”);*

- (c) *Interim Order (I) Authorizing the Debtors to (A) Honor Certain Prepetition Obligations to Customers and Partners and (B) Continue Certain Customer and Partner Programs in the Ordinary Course of Business and (II) Granting Related Relief (the “**Interim Customer and Partner Order**”);*
- (d) *Interim Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto and (B) Renew, Supplement or Purchase Insurance Policies, and (II) Related Relied (the “**Interim Insurance Order**”);*
- (e) *Interim Order Authorizing the Debtors to Pay Certain Prepetition Claims of (I) Critical Vendors and (II) Carrier, Warehousemen, and Section 503(B)(9) Claimants and (B) Granting Related Relief (the “**Interim Critical Vendors Order**”);*
- (f) *Interim Order (I) Authorizing the Debtors to (A) Continue Using the Cash Management System and (B) Maintain Existing Bank Accounts and Business Forms and Books and Records; (II) Authorizing Continued Intercompany Transactions; (III) Granting Administrative Expense Status to Post-Petition Intercompany Payments; and (IV) Granting Related Relief (the “**Interim Cash Management Order**”);*
- (g) *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief (the “**Joint Administration Order**”);*
- (h) *Interim Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief (the “**Prepetition Wages and Benefits Order**”);*

- (i) *Interim Order (I) Authorizing the Debtors to Continue and Renew the Surety Bond Program on an Uninterrupted basis; and (ii) Granting Related Relief* (the “**Surety Bond Order**”);
- (j) *Interim Order (I) Authorizing the Payment of Certain Prepetition Taxes and Fees and (II) Granting Related Relief* (the “**Prepetition Taxes and Fees Order**”);

(copies of each such Foreign Orders are attached as Schedules “B” through “K” hereto)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

#### **APPOINTMENT OF INFORMATION OFFICER**

5. THIS COURT ORDERS that Alvarez & Marsal Canada Inc. (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

#### **NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY**

6. THIS COURT ORDERS that until such date as this Court may order (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

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

7. THIS COURT ORDERS that, without limiting the stays of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

8. THIS COURT ORDERS that during the Stay Period, 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 any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

## **ADDITIONAL PROTECTIONS**

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, 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 Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

12. THIS COURT ORDERS that the Chapter 11 Debtors, including the Payless Canada Group shall be entitled to continue to utilize the central cash management system currently in place as described in the Schwindle Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Chapter 11 Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person other than the Chapter 11 Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

#### **OTHER PROVISIONS RELATING TO INFORMATION OFFICER**

13. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court periodically at least once every 3 months with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 13(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 13(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

14. THIS COURT ORDERS that the Chapter 11 Debtors and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (ii) cooperate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

15. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed

to have taken or maintained possession or control of the Business or Property, or any part thereof.

16. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

17. THIS COURT ORDERS that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

18. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a monthly basis and, in addition, the Chapter 11 Debtors are hereby authorized to pay to the Information Officer and counsel to the Information Officer, retainers in the amounts of CAD\$100,000 and CAD\$100,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

19. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.



20. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property in Canada, which charge shall not exceed an aggregate amount of USD\$500,000 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 23 through 28 hereof.

#### **INTERIM FINANCING**

21. THIS COURT ORDERS that the DIP ABL Lenders, shall be entitled to the benefit of and is hereby granted a charge (the “**DIP ABL Lenders’ Charge**”) on the Property in Canada, which DIP ABL Lenders’ Charge shall be consistent with the liens and charges created by the Interim Financing Order with respect to the Property in Canada, shall have the priority set out in paragraphs 23 through 28 hereof, and further provided that the DIP ABL Lenders’ Charge shall not be enforced except with leave of this Court on notice to the Information Officer.

#### **CANADIAN UNSECURED CREDITORS’ CHARGE**

22. THIS COURT ORDERS that notwithstanding anything in the Interim DIP Order, the DIP ABL Agreement or the related agreements contemplated thereby arms’-length unsecured trade creditors of the Payless Canada Group are granted a charge (the “**Canadian Unsecured Creditors’ Charge**”) on the Property of the Payless Canada Group to secure the repayment of claims of such creditors as of the date hereof in the aggregate maximum amount of USD\$1,400,000.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

23. THIS COURT ORDERS that the priorities of the Administration Charge, the Canadian Unsecured Creditors’ Charge and the DIP ABL Lenders’ Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of USD\$500,000);
- (b) Second – Canadian Unsecured Creditors’ Charge (to the aggregate maximum amount of USD\$1,400,000), which shall rank *pari passu* with any claim in

respect of the Carve Out (as defined in the Interim DIP Order), provided however that such claim shall only be protected as set out in the Interim DIP Order, including as to the maximum amount thereof;

(c) Third – DIP ABL Lenders’ Charge.

24. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Canadian Unsecured Creditors’ Charge or the DIP ABL Lenders’ Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

25. THIS COURT ORDERS that each of the Administration Charge, the Canadian Unsecured Creditors’ Charge and the DIP ABL Lenders’ Charge (all as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, except for the perfected security interests of secured creditors existing as of the date hereof that are listed in Schedule “M” hereto.

26. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, the Canadian Unsecured Creditors’ Charge or the DIP ABL Lenders’ Charge, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer and the DIP ABL Lenders.

27. THIS COURT ORDERS that the Administration Charge, the Canadian Unsecured Creditors’ Charge and the DIP ABL Lenders’ Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), or any bankruptcy order made pursuant to such

applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (d) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (e) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (f) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

28. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtors’ interest in such real property leases.

#### **SERVICE AND NOTICE**

29. THIS COURT ORDERS that that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on

transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL [www.alvarezandmarsal.com/paylesscanada](http://www.alvarezandmarsal.com/paylesscanada) .

30. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

31. THIS COURT ORDERS that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

33. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the

Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order.

34. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

35. THIS COURT ORDERS that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule "L" hereto is adopted by this Court for the purposes of these recognition proceedings.

36. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer, the DIP ABL Lenders and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

37. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

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## **SCHEDULE A – ADDITIONAL CHAPTER 11 DEBTORS**

Payless Intermediate Holdings LLC  
WBG PSS Holdings LLC  
Payless Inc.  
Payless Finance, Inc.  
Collective Brands Services, Inc.  
PSS Delaware Company 4, Inc.  
Shoe Sourcing, Inc  
Payless ShoeSource, Inc  
Eastborough, Inc.  
Payless Purchasing Services, Inc.  
Payless ShoeSource Merchandising, Inc.  
Payless Gold Value CO, Inc.  
Payless ShoeSource Distribution, Inc.  
Payless ShoeSource Worldwide, Inc.  
Payless NYC, Inc.  
Payless ShoeSource of Puerto Rico, Inc.  
Payless Collective GP, LLC  
Collective Licensing, LP  
Collective Licensing International LLC  
Clinch, LLC  
Collective Brands Franchising Services, LLC  
Payless International Franchising, LLC  
Collective Brands Logistics, Limited  
Dynamic Assets Limited  
PSS Canada, Inc.

**SCHEDULE B – FOREIGN REPRESENTATIVE ORDER**

**SCHEDULE C – INTERIM DIP ORDER**



**SCHEDULE D – INTERIM CUSTOMER AND PARTNER ORDER**

**SCHEDULE E – INTERIM INSURANCE ORDER**

**SCHEDULE F – INTERIM CRITICAL VENDORS ORDER**

**SCHEDULE G – INTERIM CASH MANAGEMENT ORDER**

**SCHEDULE H – JOINT ADMINISTRATION ORDER**

**SCHEDULE I – PREPETITION WAGES AND BENEFITS ORDER**

**SCHEDULE J – SURETY BOND ORDER**

**SCHEDULE K - PREPETITION TAXES AND FEES ORDER**



**SCHEDULE L – COURT TO COURT COMMUNICATION PROTOCOL**

## SCHEDULE M – PPSA AND EQUIVALENT REGISTRATIONS

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Additional Information
<b><u>ONTARIO</u></b>				
1	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	714931983 20160321 1922 5064 9060	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			714932001 20160321 1924 5064 9061	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			714932019 20160321 1926 5064 9062	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			714630537 20160309 1332 5064 8407	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			714630582 20160309 1335 5064 8409	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			714630681 20160309 1339 5064 8410	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			713085228 20160105 1200 5064 2868	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			712979757 20151230 1117 5064 2715	Equipment, Other, Motor Vehicle Included 2016 Nissan Rogue
			700193007 20140926 1935 5064 4314	Equipment, Other, Motor Vehicle Included 2015 Ford Escape
			700193016 20140926 1936 5064 4315	Equipment, Other, Motor Vehicle Included 2015 Ford Escape
			700193025 20140926 1938 5064 4316	Equipment, Other, Motor Vehicle Included 2015 Ford Escape

	Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)	Additional Information
			700193034 20140926 1940 5064 4317	Equipment, Other, Motor Vehicle Included 2015 Ford Escape
			700193043 20140926 1942 5064 4318	Equipment, Other, Motor Vehicle Included 2015 Ford Escape
			700193052 20140926 1943 5064 4319	Equipment, Other, Motor Vehicle Included 2015 Ford Escape
			688577868 20130712 1349 5064 9217	Equipment, Other, Motor Vehicle Included 2013 Ford Escape
2	General Electric Capital Canada Inc.	Payless ShoeSource Canada Inc.	839243907 19980325 1613 1254 6418 as amended by 20031010 1445 1530 9543	Inventory, Equipment, Accounts, Other, Motor Vehicle Included All present and after acquired motor vehicles, trailers, and goods, of whatever make or description, now or hereafter leased by secured party to debtor, together with all additions, replacement parts, accessions, attachments and improvements thereto and all proceeds, including money, chattel paper, intangibles, goods, documents of title, instruments, accounts receivable, rental or loan contracts, all personal property returned, traded in or repossessed and all insurance proceeds and any other form of proceeds.
3	GE VFS Canada Limited Partnership	Payless ShoeSource Canada LP	680280471 20120727 1523 5064 8243	Account Schedule - 8740735001
<b><u>QUEBEC</u></b>				

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Reference File No. &amp; Registration Number(s)</b>	<b>Additional Information</b>
4	Centre d'Achats du Boulevard (Montreal) Société en Commandite	Payless ShoeSource Canada GP Inc.	08-0136440-0008	Property found on the leased premises located at 4278 Jean Talon East, Montreal  <b>Amount : \$65,000</b>
5	Pyxis Real Estate Equities Inc.	Payless ShoeSource Canada GP Inc.	08-0679367-0001	Universality of the movable property found on the leased premises located at 3100 de la Concorde Blvd. East, Local 14, Laval  <b>Amount : \$32,193</b>
6	9257-4748 Québec Inc. and Montez L'Outaouais Inc.	Payless ShoeSource Canada GP Inc.	11-0570213-0001	Universality of the movable property found on the leased premises located at 1100 Maloney Blvd., Gatineau  <b>Amount : \$99,990</b>
7	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	14-0909032-0019	2015 Ford Escape
<b><u>BRITISH COLUMBIA</u></b>				
8	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	532228H	2014 Ford Escape
9	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	532239H	2014 Ford Escape
<b><u>ALBERTA</u></b>				
10	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	13080607211	2014 Ford Escape
11	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	13121624163	2014 Ford Escape
<b><u>MANITOBA</u></b>				
12	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	201418327702	2015 Ford Escape
<b><u>NOVA SCOTIA</u></b>				

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Reference File No. &amp; Registration Number(s)</b>	<b>Additional Information</b>
13	Emkay Canada Leasing Corporation	Payless ShoeSource Canada LP	23382617	2015 Ford Escape

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

Court File No:

AND IN THE MATTER OF PAYLESS HOLDINGS LLC, PAYLESS SHOESOURCE CANADA INC., PAYLESS SHOESOURCE CANADA GP INC. AND THOSE OTHER ENTITIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF PAYLESS HOLDINGS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36 AS AMENDED Applicant

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*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**  
Proceeding commenced at Toronto

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**SUPPLEMENTAL ORDER  
(FOREIGN MAIN PROCEEDING)**

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