



No. S-171026
Vancouver Registry

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

**IN THE MATTER OF THE RECEIVERSHIP OF
SHOES.COM TECHNOLOGIES INC.**

**FIRST REPORT OF ALVAREZ & MARSAL CANADA INC.,
IN ITS CAPACITY AS RECEIVER OF SHOES.COM TECHNOLOGIES INC.**

MARCH 27, 2017

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1.0 INTRODUCTION AND BACKGROUND

- 1.1 On February 15, 2017 (the “**Receivership Date**”) Alvarez & Marsal Canada Inc. was appointed receiver (“**A&M**” or the “**Receiver**”) of all of the assets, undertakings and properties of Shoes.com Technologies Inc. (“**Shoes.com Technologies**” or the “**Company**”) pursuant to an order of Honourable Mr. Justice Grauer (the “**Receivership Order**”).
- 1.2 A&M was previously appointed receiver of all of the assets, undertakings and properties of Shoeme Technologies Ltd. (“**Shoeme**”), the Company’s wholly owned Canadian subsidiary, on February 3, 2017.
- 1.3 Shoes.com Technologies owns intellectual property including the shoes.com domain name and related trademarks previously used by its subsidiaries to carry on business as an online shoe retailer and operate physical store locations. The Company’s subsidiaries ceased operations on January 27, 2017 as a result of having insufficient liquidity to fund ongoing operations.
- 1.4 The Receivership Order authorizes the Receiver to, among other things, solicit offers in respect of the Company’s property and sell any parts thereof with approval of this Honourable Court for any transaction for which the aggregate purchase price exceeds \$100,000. The Receivership Order directs the Receiver not to close on any sale of the Company’s intellectual property assets that comprise the security of Wells Fargo Bank, National Association (“**Wells Fargo**”) until the earlier of:
- a) the repayment in full of all amounts owing to Wells Fargo; or
 - b) the written consent to such sale is provided by Wells Fargo.
- 1.5 On February March 27, 2017 the Receiver filed a notice of application for an order (the “**Sale Approval and Vesting Order**”) that provides for, among other things:
- a) approval of the sale of certain domain names and related intellectual property (the “**Purchased Assets**”) to Wal-Mart Stores, Inc. (“**Walmart**”);
 - b) a declaration that the bill of sale in respect of above noted transaction (the “**Bill of Sale**”) is commercially reasonable;
 - c) authorization and approval of the Receiver to execute the Bill of Sale and authorization and direction to the Receiver to take such steps and execute such additional documents as may be necessary or desirable to complete the sale of the Purchased Assets; and
 - d) vesting of all of the Company’s rights, title and interest in the Purchased Assets in Walmart in fee simple, free and clear from any and all security interests, hypothecs, mortgages, trusts or deemed trusts, liens, executions, levies, charges or other financial or monetary claims.

1.6 The Receivership Order and other motion materials are available on the Receiver's website at www.alvarezandmarsal.com/shoes.

1.7 Capitalized terms not defined in this first report of the Receiver (the "**First Report**") are as defined in the Receivership Order.

1.8 All references to dollars are in Canadian currency unless otherwise noted.

2.0 PURPOSE OF REPORT

2.1 The First Report is a special purpose report intended to provide this Honourable Court with information with respect to the following:

- a) the process undertaken by the Receiver to solicit bids for the Purchased Assets; and
- b) the Receiver's application for the Sale Approval and Vesting Order.

3.0 SALE SOLICITATION PROCESS FOR THE PURCHASED ASSETS

Sale Solicitation Process

3.1 The Receiver conducted a joint sale solicitation process (the "**Sale Solicitation Process**") in respect of the assets of Shoes.com Technologies and Shoeme. The assets of the two companies were separated into the following three parcels:

- a) Parcel 1 – Shoeme domain names and intellectual property
- b) Parcel 2 – Shoes.com Technologies domain names and intellectual property
- c) Parcel 3 – Shoeme shoe, apparel and accessories inventory

3.2 Highlights of the Sale Solicitation Process conducted by the Receiver are summarized as follows:

- a) 122 potential purchasers were sent an Invitation for Offers including retailers, financial investors and liquidation firms. A copy of the Invitation for Offers is attached as Appendix "**A**";
- b) newspaper advertisements were published in the Vancouver Sun on February 25, 2017 and in the Globe & Mail National Edition on February 27, 2017. A copy of the newspaper advertisements is attached as Appendix "**B**";
- c) 46 potential purchasers entered into non-disclosure agreements;
- d) potential purchasers which had executed non-disclosure agreements were given access to an electronic data room (the "**Data Room**") which included due diligence materials as well as an asset information package and standard form of offer which is attached as Appendix "**C**";
- e) a deadline for submission of offers was set at 10 o'clock am PST on March 17, 2017; and

- f) 20 offers were received on or before the bid deadline including 11 offers that included the Shoes.com domain names and intellectual property.
- 3.3 The highest offer received by the Receiver for Parcel 2 was from Walmart for US\$9.0 million (the “**Walmart Offer**”). A copy of the Walmart Offer dated March 17, 2017 is attached as Appendix “**D**”.
- 3.4 On March 22, 2017 the Receiver accepted the Walmart Offer, subject to entering into a formal agreement of purchase and sale in a form acceptable to A&M and approval of the Court.

Walmart Bill of Sale

- 3.5 On March 27, 2017 Walmart and the Receiver agreed on the terms of a bill of sale (the “**Bill of Sale**”) which is attached as Appendix “**E**”. The Receiver intends to execute the Bill of Sale pending the granting of the Sale Approval and Vesting Order by this Honourable Court.
- 3.6 Select commercial terms of the Bill of Sale are as follows:
- a) the Receiver will sell the Purchased Assets to Walmart for the purchase price of US\$9 million;
 - b) the Receiver and Walmart acknowledge and agree that the Purchased Assets are being sold, assigned and transferred on an “as-is, where-is” basis and that the Receiver makes no representation, warranty, statement or promise as to the condition, fitness for any particular purpose or use, suitability, durability, quality or value of the Purchased Assets;
 - c) Walmart acknowledges that the Receiver shall have no liability under or as a result of entering into the Bill of Sale or as a result of carrying out the transactions subject to the Bill of Sale; and
 - d) Walmart will pay, in addition to the purchase price, social services tax, goods and services tax and any other such applicable taxes in connection with the purchase of the Purchased Assets.

Receiver’s Review and Consideration

- 3.7 The Receiver’s review of the of the bids included consideration of the following:
- a) the extent to which the highest price was achieved for the Purchased Assets;
 - b) the overall execution risk associated with the bidding parties including the reputation and wherewithal of bidders to complete the transaction;
 - c) the overall fairness of the process to effect a sale of the Purchased Assets;

- d) the potential increased risk of diminished realization value in the event a transaction for the Purchased Assets is not concluded in a timely manner; and
- e) the economic interests of the Company's secured lenders who have been provided with details of the Walmart Bid and are supportive of the Receiver pursuing a transaction with Walmart.

3.8 The Purchased Assets comprise the security of Wells Fargo and the Receiver requires Wells Fargo's consent to close the transaction contemplated by the Walmart bid pursuant to section 28 of the Receivership Order. The Receiver is optimistic that Wells Fargo will provide the required consent in advance of the hearing of the application for the Sale Approval and Vesting Order.

3.9 The other secured lenders of Shoes.com Technologies including Deans Knight Capital Management Inc. and Caleres Investment Company, Inc. have advised the Receiver that they consent to the transaction with Walmart.


3.10 The Receiver is of the view that the transaction with Walmart is in the best interests of the creditors of Shoes.com Technologies and that the Receiver's efforts to solicit bids for the Purchased Assets were conducted in a manner which is fair and where no parties involved in the proceedings have experienced preferential or unfair treatment.

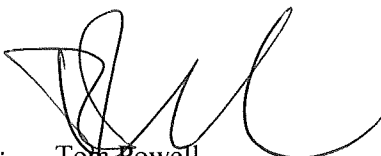
4.0 RECEIVER'S CONCLUSION AND RECOMMENDATION

4.1 The Receiver has made commercially reasonable efforts to obtain the highest realization for the Purchased Assets. The purchase price and other terms of the Walmart Bid as reflected in the Bill of Sale are, in the opinion of the Receiver, fair and commercially reasonable in the circumstances. Accordingly, the Receiver respectfully recommends that this Honourable Court grant the Sale Approval and Vesting Order.

All of which is respectfully submitted to this Honourable Court this 27th day of March, 2017.

Alvarez & Marsal Canada Inc.,
in its capacity as Receiver of
Shoes.com Technologies Inc.


Per: Todd M. Martin
Senior Vice President


Per: Tom Powell
Vice President

APPENDIX A

**Shoes.com Technologies Inc. and
Shoeme Technologies Ltd. (in Receivership)**
Invitation for Offers to Purchase



SHOES.COM

SHOEME.ca



BACKGROUND

On February 3, 2017 the Supreme Court of British Columbia (the "Court") granted an order (the "Order") appointing Alvarez & Marsal Canada Inc. ("A&M") as receiver of all of the current and future assets, undertakings and properties of Shoeme Technologies Limited ("Shoeme") and on February 15, 2017 the Court granted an Order appointing A&M as receiver of all of the current and future assets, undertakings and properties of Shoes.com Technologies Inc. ("Shoes.com Technologies").

A&M, in its capacity as receiver (the "Receiver") of Shoeme and Shoes.com Technologies (the "Companies") is seeking offers to purchase the Receiver's interest in the Companies' assets which include domain names or uniform resource locators ("URLs") and other intellectual property as well as shoe and apparel inventory.

DOMAIN NAMES AND INTELLECTUAL PROPERTY

The domain names and intellectual property owned by each of the Companies and offered for sale by the Receiver are set out below:

SHOES.COM TECHNOLOGIES INC.	SHOEME TECHNOLOGIES LTD.
<ul style="list-style-type: none">• The "SHOES.COM", "SSSSHoes.COM" and "SHHHOES.COM" domain names and associated trademarks• Key shoes.com operating metrics include:<ul style="list-style-type: none">- 25+ million website visits in 2016;- approximately 600,000 customers served since 2015- average of 1.4 orders per customer- 2016 net revenue of US \$48 million- 2015 net revenue of US \$35 million	<ul style="list-style-type: none">• A portfolio of 14 domain names or URLs including "SHOEME.CA" and associated trademarks• Key shoeme.ca operating metrics include:<ul style="list-style-type: none">- 11+ million website visits in 2016;- approximately 300,000 customers served- average of 1.8 orders per customer- average cart size of C \$130- 2016 net revenue of C \$22 million- 2015 net revenue of C \$17 million

Disclaimer: The information contained in this document has been prepared solely for information purposes to assist parties in considering their interest in the Companies' assets. While the information contained herein is believed to be accurate and reliable, neither A&M nor its employees, officers, directors or shareholders, makes any representations or warranties, expressed or implied, as to the accuracy or completeness of such information embodied herein and none of the shall have any liability for such information, nor the accuracy, reliability or completeness of such information. This document is not meant to be and should not be distributed to any other parties. In furnishing this document, A&M reserves the right to amend or replace the document at any time and undertakes no obligation to provide the recipient with access to any additional information or to update information. In all cases, parties should conduct their own investigation and analysis of the Companies' and the data described herein.



INVENTORY

Shoeme owns approximately 23,600 units of footwear inventory with an estimated retail value of approximately \$3.1 million. The inventory includes a diverse offering of brands and products with a focus on the athletic leisure market segment. Brands include the following:

Asics	Clarks	Frye	Sperry	Timberland
Baffin	Converse	Michael Kors	Steve Madden	Ugg
Birkenstock	Cole Haan	Saucony	The North Face	Vans

The inventory is located at a third-party logistics facility in Brampton, Ontario.

SOLICITATION PROCESS

Upon executing a non-disclosure agreement ("NDA") and returning it to the Receiver at marianna.lee@alvarezandmarsal.com, qualified potential purchasers may be granted access to an electronic data room including due diligence materials and the prescribed form of offer.

A copy of the NDA is available on the Receiver's website at www.alvarezandmarsal.com/shoes.

The timeline for the solicitation process is as follows:

- February 20 to March 17, 2017 – access to the data room and appointments to view inventory
- **March 17, 2017 (10 o'clock am PST) – deadline for submitting offers**
- March 17 to 24, 2017 – Receiver will negotiate with one or more parties
- on or before March 31, 2017 – A&M to seek Court approval of preferred offer(s)

A&M reserves the right to amend or modify the solicitation process at any time at its sole discretion.

Any sale shall be in accordance with the terms of the Order and is subject to approval by the Court.

US RECEIVERSHIP OF SHOES.COM, INC. AND ONLINESHOES.COM, INC.

On February 2, 2017, an order appointing a general receiver (the "US Receiver") in the matter of Shoes.com, Inc. and Onlineshoes.com, Inc. was entered by the Superior Court of Washington for King County. The US Receiver is conducting a sale solicitation process with respect to the assets of Shoes.com, Inc. and Onlineshoes.com, Inc. Information with respect to the sales process being undertaken by the US Receiver can be viewed at the following link:

<http://inverness.us/receivership-shoes-com-onlineshoes-com>

CONTACT DETAILS

Enquiries or requests for further information should be directed to A&M only at the contact details below.

Alvarez & Marsal Canada Inc.
400 Burrard Street, Suite 1680, Vancouver, BC, V6C 3A6

Tom Powell
Vice President
604.639.0846
tpowell@alvarezandmarsal.com

Marianna Lee
Senior Associate
604.639.0845
marianna.lee@alvarezandmarsal.com



APPENDIX B

APPENDIX C

ASSET INFORMATION PACKAGE

**SHOEME TECHNOLOGIES LTD. AND
SHOES.COM TECHNOLOGIES INC.**

ALVAREZ & MARSAL CANADA INC.

**RECEIVER OF ALL OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF
SHOEME TECHNOLOGIES LTD. AND SHOES.COM TECHNOLOGIES INC.**

FEBRUARY 21, 2017



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A. Terms and Conditions of Sale

B. Form of Offer

I. NOTICE TO READER

On February 3, 2017 the Supreme Court of British Columbia (the "Court") granted an Order appointing Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Receiver**") as receiver of all of the current and future assets, undertakings and properties of Shoeme Technologies Limited ("**Shoeme**") and on February 15, 2017 the Court granted an Order appointing A&M as receiver of all of the current and future assets, undertakings and properties of Shoes.com Technologies Inc. ("**Shoes.com Technologies**" and together with Shoeme, the "**Companies**").

The Receiver has been authorized to solicit offers for the purchase of all or some of the assets of the Companies.

This document has been prepared solely for the convenience of prospective purchasers to assist them in their determinations of whether they wish to submit an offer to purchase certain of the Companies' assets.

Important Disclaimer:

A&M expressly advises, and the potential purchaser acknowledges, that the potential purchaser will not and could not reasonably rely on this information in arriving at a decision to purchase part of all of the assets listed herein. A&M has not completely verified the information contained herein and makes no express or implied representation or warranty with respect to the accuracy or completeness of such information. Nothing contained in this document is, or should be relied upon as, a representation as to the future potential for the assets. Each prospective purchaser must rely upon its own inspection and investigation in order to satisfy itself as to title, encumbrances, description, fitness for purpose, quantity, condition, existence, quality, value of any other matter or thing whatsoever relating to the assets to be purchased and should take independent financial, tax and legal advice in their consideration of the opportunity to purchase the Companies' assets referenced herein.

The information contained herein has been prepared for the sole purpose of presentation to prospective purchasers of the Companies' assets and is to be held in confidence and is not to be reproduced or used for any other purpose or disclosed to third parties without the consent of A&M.

II. SALE PROCEDURES

A&M, in its capacity as Receiver, will consider offers to purchase, on an “**as is, where is**” basis, the Receiver’s right, title and interest in any or all of the assets set out in the attached parcel descriptions, summarized as follows:

- | | |
|----------|---|
| Parcel 1 | Shoeme domain names and intellectual property |
| Parcel 2 | Shoes.com Technologies domain names and intellectual property |
| Parcel 3 | Shoe, apparel and accessories inventory |

Offers should be submitted in accordance with the Terms and Conditions of Sale attached as **Form A** to this Information Package, and must be received on or before **10 o’clock am Pacific Standard Time on March 17, 2017** (the “**Bid Deadline**”).

If one or more suitable bids are received, the Receiver will either negotiate a purchase and sale agreement with one or more bidders, or proceed to an auction.

Notwithstanding anything to the contrary herein, the Receiver may at any time negotiate, enter into and seek Court approval of an auction process and/or stalking horse purchase agreement or bid for any or all of the assets described herein. If a stalking horse purchase agreement or bid is approved by the Court, the Receiver will provide to each Qualified Bidder copies of such Court order and the stalking horse bid or purchase agreement, along with a summary of the process for such Qualified Bidder to submit an offer in response.

All contact by prospective purchasers is to be made directly with the designated representatives of A&M noted below:

Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC, Canada V6C 3A6
Facsimile: +1 (604) 638 7441

Tom Powell
Vice President
Alvarez & Marsal Canada Inc.
+1 (604) 639 0846
tpowell@alvarezandmarsal.com

Marianna Lee
Senior Associate
Alvarez & Marsal Canada Inc.
+1 (604) 639 0845
marianna.lee@alvarezandmarsal.com

Prospective purchasers are cautioned that A&M reserves the right to sell any asset or group of assets at any time as determined in A&M’s sole discretion, including prior to the Bid Deadline, and is under no obligation to notify prospective purchasers if such a sale occurs. In addition, the highest offer may not necessarily be accepted, nor will any of the offers submitted necessarily be accepted. Any offer which is accepted is subject to A&M and any prospective purchaser entering into a formal agreement of purchase and sale on terms and in a form acceptable to A&M and will be subject to the approval of the Supreme Court of British Columbia.

A&M reserves the right to amend or modify the sale solicitation process at any time at its sole discretion, including to extend or revise the Bid Deadline .

III. GENERAL DESCRIPTION OF THE ASSETS AVAILABLE FOR SALE

Parcel 1: Shoeme domain names and intellectual property

Domain Names

SHOEME.CA
SHOEME.COM
SHOEMEOUTLET.CA
SHOEMEOUTLET.COM
SHOOMEE.COM
UNDERWEARME.COM
VIPME.CA
DEFINEMEFASHION.CA
DEFINEMEFASHIONS.CA
DELAMODE.CA
DISCOUNTME.CA
FABME.CA
FINDMEFASHION.CA
FINDMESTYLES.CA

Registered Trademarks

ShoeMe.ca

Other

SHOEme Shopify Account (created Jan 2012)

SHOEmeNet ERP: Custom built proprietary software system including modules for warehouse management, inventory syncing, financial controls and reporting

Unregistered trademarks and logos

Parcel 2: Shoes.com Technologies domain names and intellectual property

Registered Trademarks

Reference #	Mark	Country	Application #	Filing Date	Registration Date	Registration #
718202.184	SHOES.COM & Design	Japan	2002-456	1/8/2002	5/30/2003	467086
718202.3380	SHOES.COM (Stylized)	Canada	1401252	6/27/2008	6/21/2010	TMA770,346

Domain Names

Shhhoes.com
Shoes.com
Sssshoes.com

Other

Unregistered trademarks and logos

Any goodwill, social media accounts, accounts, instruments, general intangibles related to use of the Shoes.com Technologies domain names or uniform resource locators

Parcel 3: Shoe, apparel and accessories inventory

The shoe, apparel and accessories inventory available for sale is comprised of approximately 23,600 units (19,000 units of shoes and 4,600 units of apparel and accessories) and has an estimated retail value of approximately \$3.1 million. It is located at the Geodis third-party logistics centre at 300 Kennedy Road South, Unit B, Brampton, Ontario L6W 4V2.

The inventory includes the following major brands, among others:

- Asics
- Baffin
- Birkenstock
- Clarks
- Converse
- Cole Haan
- Frye
- Michael Kors
- Saucony
- Sperry
- Steve Madden
- The North Face
- Timberland
- Ugg
- Vans

A detailed listing of the inventory is available on the electronic data room.

SCHEDULE A

TERMS AND CONDITIONS OF SALE

1. Alvarez and Marsal Canada Inc. ("**A&M**"), in its capacity as Receiver of Shoeme Technologies Ltd. ("**Shoeme**") and Shoes.com Technologies Inc. ("**Shoes.com Technologies**"), will consider written offers (each, an "**Offer**") from prospective purchasers (each, a "**Purchaser**") to purchase A&M's right, title and interest in certain assets of Shoeme and Shoes.com Technologies.

All Offers must be received by the A&M designated representative by 10 o'clock am Pacific Standard Time on March 17, 2017.

2. Term capitalized but not otherwise defined in these Terms and Conditions of Sale shall have the meaning set out in the Asset Information Package sent to each applicable prospective purchaser by A&M.
3. By submitting an Offer, the Purchaser acknowledges that it has inspected the parcel of assets and that the assets are sold on an "as is, where is" basis at the time of closing and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, condition, cost, or quality thereof or compliance of any parcel of assets with or in respect of anything whatsoever. Without limitation, all parcels of assets of Shoeme and Shoes.com Technologies are specifically offered as they exist on closing and with no adjustments to be allowed to the Purchaser for changes in conditions, qualities or quantities of such parcels from the date hereof to the Closing Date. The Purchaser acknowledges that A&M is not required to inspect or count, or provide any inspection or counting of the applicable assets or any part thereof and the Purchaser shall be deemed to have relied entirely on its own inspection and investigation of any assets to satisfy the Purchaser as to the effects of any laws, regulations or requirements upon any assets or the transfer by A&M to the Purchaser of any assets. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consent to such transfer and any further documents or assurances which are necessary or desirable in the circumstances.
4. A&M shall not be required to produce any tax certificate, clearance certificate, abstract of title or documents or copies thereof or any evidence as to title, other than those in its actual possession.
5. A&M shall remain in possession of the applicable assets until the purchase price in respect thereof has been paid in full.
6. All Offers must include a fully completed "**Offer to Purchase Form**" (enclosed). Supplemental information must be in written form, signed by a duly authorized officer(s) of the entity making the Offer. Offers received that are not in the attached form or which amend the attached form may, at the sole discretion of A&M, be rejected.
7. All Offers must be accompanied by a bank draft or certified cheque payable to "Alvarez & Marsal Canada Inc. – in Trust" in an amount equal to not less than 10% of the gross purchase price offered for the applicable assets. If the Offer is accepted, this draft or cheque shall be deemed a non-refundable cash deposit and shall be forfeited to A&M on account of liquidated damages if the contemplated sale is not completed by the Purchaser by reason of the Purchaser's default. Acceptance of any Offer is subject to A&M and the Purchaser entering into an agreement of purchase and sale (each, and "**Agreement of Purchase and Sale**") on terms and conditions acceptable to A&M and approved by the Court.
8. In consideration of A&M making available to Purchasers these Terms and Conditions of Sale, any other information, and the opportunity of inspection, and/or in consideration of receiving and considering any Offer to be submitted hereunder, each Purchaser agrees that its Offer is irrevocable and cannot be retracted, withdrawn, varied or countermanded prior to acceptance or rejection thereof.

9. In the event that some of the Offers are substantially in the same terms and/or amounts as determined by A&M, A&M may, in its sole discretion, call upon those purchasers to re-submit an Offer to A&M for its final consideration. Each Purchaser is in agreement that the re-submission contemplated under this section is a fair and reasonable manner of proceeding in the case of Offers in substantially the same terms and/or amounts.
10. Offers may be made for all or any parcel of assets of Shoeme or Shoe.com Technologies. Offers submitted for more than one parcel of assets must specifically allocate a separate price for each parcel and will be considered as a separate Offer for each parcel unless otherwise indicated as an en bloc offer.
11. Offers or offers to liquidate assets must contain a net minimum guaranteed return to A&M and will be subject to the liquidator and A&M entering into an auction services agreement on terms satisfactory to A&M.
12. Where Purchaser withdraws its Offer after March 17, 2017, and before the date on which the party receives notification of the decision made regarding the Offers, the deposit shall be forfeited on account of liquidated damages by the party to A&M.
13. Cheques or drafts accompanying Offers that are not accepted by A&M shall be returned to the party by prepaid registered mail, addressed to the party at the address set forth in its Offer on or before March 24, 2017 without interest thereon.
14. The balance of the purchase price, subject to normal adjustments, shall be paid on or before closing which shall be no later than March 31, 2017 (the "**Closing Date**"). The closing shall take place at the offices of Borden Ladner Gervais LLP, Vancouver, British Columbia.
15. The Purchaser shall pay to A&M on closing, in addition to the balance of the purchase price, all applicable federal, provincial and states taxes, unless the applicable exemption certificates are presented to A&M on or before the Closing Date.
16. The Purchaser shall be solely responsible for costs, on to or in the premises, if any, of removing the purchased inventory and returning the premises to broom swept condition after removal. These costs shall include the removal or cleanup of any hazardous substances released, on to or in the premises, as a result of the decommissioning or removal of the purchased property. All purchased property from Parcel 3 (Shoe, apparel and accessories inventory) shall be removed within seven days after the Closing Date.
17. The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the purchased property and the use thereof by the Purchaser.
18. The highest or any Offer shall not necessarily be accepted. Each purchaser agrees that A&M shall be entitled to accept whichever Offer, if any, A&M, in its sole unrestricted discretion, considers to be the most advantageous. Each Purchaser further agrees that A&M shall have the unfettered right to discuss and clarify any Offer with the submitting Purchaser.
19. A&M reserves the right to amend or terminate the sale solicitation process at any time, including without limitation as described in the Asset Information Package, including in respect of any auction or stalking horse sale process described therein.
20. The obligation of A&M to complete any Agreement of Purchase and Sale shall be relieved if, on or before the Closing Date, any parcel which is the subject of an Agreement of Purchase and Sale is removed from the control of A&M by any means or process. In that case, the sole obligation of A&M to the Purchaser shall be to return the deposit without interest or deduction.

21. The submission of an Offer to A&M shall constitute an acknowledgment and an acceptance by the prospective Purchaser of these **"Terms and Conditions of Sale"**.
22. The validity and interpretation of these Terms and Conditions of Sale, and each provision and part thereof and of any Agreement of Purchase and Sale as defined herein, shall be governed by the laws of the Province of British Columbia and the Courts of the Province of British Columbia shall have exclusive jurisdiction with respect to any dispute arising out of these Terms and Conditions of Sale or any Agreement of Purchase and Sale entered into pursuant hereto.
23. All stipulations as to time are strictly of the essence.
24. The Purchaser shall assume, at the Purchaser's cost, complete responsibility for compliance with all laws, municipal, provincial or federal insofar as the same apply to the parcel of assets and the use thereof by the Purchaser.
25. A&M reserves the right to withdraw any parcel or any part thereof on or before the Closing Date if there is any actual, threatened or anticipated litigation with respect to any parcel, or if the security under which A&M was appointed is deemed invalid. If A&M exercises the right, the Agreement of Purchase and Sale affecting such parcel(s) shall be automatically terminated and deemed null and void and the deposit money shall be refunded to the Purchaser without interest, costs, compensation or deduction and neither party shall be liable to the other for any costs or damages whatsoever.
26. A&M is acting in its capacity as Receiver of the Companies, and not in its personal capacity.

SCHEDULE B

FORM OF OFFER – SHOEME TECHNOLOGIES LTD. AND SHOES.COM TECHNOLOGIES INC.

To: Alvarez and Marsal Canada Inc.
in its capacity as Receiver of
of Shoeme Technologies Ltd. and Shoes.com Technologies Inc.
and not in its personal capacity

Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC, Canada V6C 3A6
Attention: Tom Powell (tpowell@alvarezandmarsal.com)

1. _____
(Name of Purchaser issuing Offer)

2. _____
(Address)

3. _____
(Phone number) (Fax number)

4. _____
(Person to be contacted)

5. The total amount hereby offered is \$ _____

6. The amount offered for each parcel of assets is as follows:

Parcel 1 – Shoeme.ca domain names and intellectual property: \$ _____

Parcel 2 – Shoes.com Technologies domain names and intellectual property: \$ _____

Parcel 3 – Shoe, apparel and accessories inventory: \$ _____

7. This offer must be considered as en bloc offer (yes/no) _____

8. This offer is irrevocable. We acknowledge and confirm that this Offer is governed by the Terms and Conditions of Sale attached as Schedule "A" to the Asset Information Package received by the Purchaser from Alvarez & Marsal Canada Inc. as Receiver.

9. Enclosed is a bank draft payable to Alvarez & Marsal Canada Inc., in Trust as a deposit in the amount of \$ _____, representing 10% of the total amount of our/my Offer submitted herein.

DATED at _____ this _____ day of _____, 2017.

(Full legal name of Purchaser)

(Signature of Authorized Representative)

(Name and Position)

APPENDIX D

SCHEDULE B**FORM OF OFFER – SHOEME TECHNOLOGIES LTD. AND SHOES.COM TECHNOLOGIES INC.**

To: Alvarez and Marsal Canada Inc.
in its capacity as Receiver of
of Shoeme Technologies Ltd. and Shoes.com Technologies Inc.
and not in its personal capacity

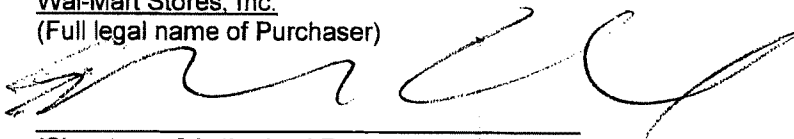
Commerce Place
400 Burrard Street, Suite 1680
Vancouver, BC, Canada V6C 3A6
Attention: Tom Powell (tpowell@alvarezandmarsal.com)

1. Wal-Mart Stores, Inc.
(Name of Purchaser issuing Offer)
2. 850 Cherry Avenue, San Bruno, California, 94066
(Address)
3. (479) 277-6294
(Phone number)
4. Emily McNeal
(Person to be contacted)
5. The total amount hereby offered is US\$9,000,000
6. The amount offered for each parcel of assets is as follows:

Parcel 1 – Shoeme.ca domain names and intellectual property:	\$ _____
Parcel 2 – Shoes.com Technologies domain names and intellectual property:	US\$9,000,000
Parcel 3 – Shoe, apparel and accessories inventory:	\$ _____
7. This offer must be considered as en bloc offer (yes/no) Yes
8. This offer is irrevocable. We acknowledge and confirm that this Offer is governed by the Terms and Conditions of Sale attached as Schedule "A" to the Asset Information Package received by the Purchaser from Alvarez & Marsal Canada Inc. as Receiver.
9. Enclosed is a bank draft payable to Alvarez & Marsal Canada Inc., in Trust as a deposit in the amount of US\$900,000, representing 10% of the total amount of our/my Offer submitted herein. Sent by wire transfer

DATED at Bentonville, Arkansas this 17th day of March, 2017.

Wal-Mart Stores, Inc.
(Full legal name of Purchaser)


(Signature of Authorized Representative)

Emily McNeal VP – Corporate Development

APPENDIX E

BILL OF SALE (ABSOLUTE)

This Bill of Sale (Absolute) dated as of the 31st day of March, 2017.

BETWEEN

ALVAREZ & MARSAL CANADA INC., in its capacity as
court-appointed Receiver of Shoes.com Technologies Inc. and
Shoeme Technologies Limited, and not in its personal capacity,

(the “**Vendor**”)

AND

WAL-MART STORES, INC.,

(the “**Purchaser**”)

WHEREAS:

A. On February 3, 2017, Alvarez & Marsal Canada Inc. was appointed, by Order pronounced by the Honourable Mr. Justice Macintosh of the Supreme Court of British Columbia (the “Court”), as receiver of all of the right, title and interest in and to the assets and undertakings of Shoeme Technologies Limited (“**Shoeme**”) with the power and authority to sell the assets and undertakings of Shoeme with the approval of the Court.

B. On February 15, 2017, Alvarez & Marsal Canada Inc. was appointed, by Order pronounced by the Honourable Mr. Justice Grauer of the Supreme Court of British Columbia (the “Court”), as receiver of all of the right, title and interest in and to the assets and undertakings (the “Property”) of Shoes.com Technologies Inc. (the “**Debtor**”) with the power and authority to sell the Property with the approval of the Court.

C. On March 31, 2017, the Honourable _____ approved, by way of a pronounced vesting order (the “**Vesting Order**”), the sale of certain assets of the Vendor as set out in Schedule “A” (collectively, the “**Purchased Assets**”).

D. The Vendor is possessed of the Purchased Assets described in this Bill of Sale (Absolute).

E. The Vendor has agreed with the Purchaser for the absolute sale to the Purchaser of the Purchased Assets upon the terms and conditions and for the consideration set forth in this Bill of Sale (Absolute).

In consideration of the payment by the Purchaser to the Vendor of the sum of NINE MILLION UNITED STATES DOLLARS (USD \$9,000,000) paid by the Purchaser to the Vendor at or before the execution and delivery of this Bill of Sale (Absolute), the receipt and sufficiency of which the Vendor hereby acknowledges, the Vendor hereby sells, assigns,

transfers and sets over all and singular the Purchased Assets and all the right, title, interest, property, claim and demand of Shoes.com Technologies Inc. and Shoeme Technologies Limited in and to the Purchased Assets unto the Purchaser on the following terms and conditions:

1. **Transfer.** The Vendor hereby sells, assigns, transfers, conveys and sets over unto the Purchaser all the right, title, interest, if any, of Shoes.com Technologies Inc. and Shoeme Technologies Limited in and to the Purchased Assets pursuant to and in accordance with the Vesting Order and Vendor hereby remises, releases and forever discharges to the Purchaser all of its and the Debtor's interests, claims and demands whatsoever upon the Purchased Assets.

2. **Condition of Purchased Assets.** The Vendor and the Purchaser hereby acknowledge and agree that the Purchased Assets are being sold, assigned and transferred by the Vendor and purchased by the Purchaser on an "as is, where is" basis and that the Vendor makes no representation, warranty, statement or promise, as to the condition, fitness for any particular purpose or use, suitability, durability, quantity, quality or value of the Purchased Assets. The Purchaser has made its own inspection and investigation with respect to the Purchased Assets and is accepting a transfer of the Vendor's interest in the Purchased Assets on that basis.

3. **Representations, Warranties and Covenants.** The Purchaser acknowledges and agrees that the Vendor makes no representation or warranty with respect to the Purchased Assets.

4. **Acknowledgement regarding Vendor.** The Purchaser acknowledges that the Vendor is acting only in its representative capacity as a Court-appointed Receiver and that the Vendor shall have no liability under or as a result of entering into this Bill of Sale (Absolute) or carrying out the transaction which is the subject of this Bill of Sale (Absolute) as the Vendor except in such capacity, and without limitation to the generality of the foregoing, the Vendor shall have no liability in its personal capacity under or as a result of entering into or carrying out of the transactions subject to this Bill of Sale (Absolute).

5. **Further Assurances.** The Vendor will provide to the Purchaser reasonable assistance in transferring the Purchased Assets, including, where appropriate, providing account credentials for on-line services, such as log-in user names and passwords, to the extent reasonably necessary to effect the intended transfer, or taking such steps and providing such cooperation and assistance using retained account credentials to effect the transfers through any facilities through such on-line services.

7. **Excluded Obligations.** The Purchaser shall not assume and shall not be liable to any person for any liabilities or obligations of Shoes.com Technologies Inc. or Shoeme Technologies Limited.

8. **Taxes.** The Purchaser will pay, in addition to the Purchase Price, goods and services tax and any such other applicable taxes in connection with the purchase by it of the Purchased Assets pursuant to this Bill of Sale (Absolute).

9. **Enurement.** This Bill of Sale (Absolute) and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

10. **Severability.** The invalidity and unenforceability of any provision of this Bill of Sale (Absolute) or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any invalid provision or covenant shall be deemed to be severable.

11. **Governing Law.** This Bill of Sale (Absolute) shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

12. **Entire Agreement.** This Bill of Sale (Absolute) constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior negotiations and understandings. This Bill of Sale (Absolute) may not be amended or modified in any respect except by written instrument executed by the parties.

12. **Counterparts.** This Bill of Sale (Absolute) may be executed in any number of original or electronic counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Bill of Sale (Absolute) as of the day and year first written above.

ALVAREZ & MARSAL CANADA INC.,

in its capacity as court-appointed Receiver of

Shoes.com Technologies Inc. and Shoeme Technologies Limited, and not in its personal capacity

By:

Authorized Signatory

WAL-MART STORES, INC.

By:

Authorized Signatory

SCHEDULE “A”

Shoes.com Technologies domain names and intellectual property, including, but not limited to, the following:

Domain Names

Shoes.com-related domain names (for greater certainty, excluding “ShoeMe” and related domain “Me” names), including but not limited to:

Domain	Registrant*	Registrar*	Creation Date*	Expiry Date*
SHOES.COM	PERFECT PRIVACY, LLC. (Florida) for Vendor	NETWORK SOLUTIONS, LLC [2] (Virginia)	02-Nov-1994	22-Jan-2026
SHOES-US.CA	Vendor**	Go Daddy Domains Canada, Inc. (Ontario)	11-Sep-2015	11-Sep-2020
SHOES-US.CO	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHOES-US.ORG	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	11-Sep-2020
SHOES-US.US	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHOES-USA.CA	Vendor**	Go Daddy Domains Canada, Inc. (Ontario)	11-Sep-2015	11-Sep-2020
SHOES-USA.CO	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHOES-USA.COM	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	11-Sep-2020
SHOES-USA.ORG	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	11-Sep-2020
SHOES-USA.US	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHOESUSA.CA	Vendor**	Go Daddy Domains Canada, Inc. (Ontario)	11-Sep-2015	11-Sep-2020
SHOESUSA.CO	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHOESUSA.ORG	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	11-Sep-2020
SHOESUSA.US	SHOEme Technologies Ltd. (BC)	GoDaddy.Com, LLC [146] (Delaware)	11-Sep-2015	10-Sep-2020
SHHHOES.COM	Shoes.com Inc. (Missouri)	CSC CORPORATE DOMAINS, INC. [299] (Delaware)	22-May-2008	22-May-2017
SSSSHoes.COM	Shoes.com Inc. (Missouri)	CSC CORPORATE DOMAINS, INC. [299] (Delaware)	22-May-2008	22-May-2017

* Further information provided for further context and not intended to reduce, limit or prescribe the domain names listed.

** Registrant information not available due to CIRA privacy rules.

Registered Trademarks

Reference #	Mark	Country	Application #	Filing Date	Registration Date	Registration #
718202.184	SHOES.COM & Design	Japan	2002-456	1/8/2002	5/30/2003	4677086
718202.3380	SHOES.COM (Stylized)	Canada	1401252	6/27/2008	6/21/2010	TMA770,346

Social Media and Other

Unregistered trademarks and logos including, but not limited to, the following:



SHOES.COM



shoes.com: Your online source for everything shoes

GLOBAL SHIPPING.
100'S OF BRANDS.
THE HELP YOU NEED.

SHOES.COM

EST. 1996

Any goodwill, social media accounts, accounts, instruments, general intangibles related to use of the Shoes.com Technologies domain names or uniform resource locators, including but not limited to the following social media accounts used in connection with shoes.com:

- Facebook “SHOES.COM” www.facebook.com/shoesdotcom
- Google Display Network (GDN) ad group and account for shoes.com
- Twitter “shoes.com” @shoesdotcom
- Instagram “SHOES.COM” @shoesdotcom
- Google “SHOES.COM” +Shoesdotcom
- Wanelo “Shoes.com” www.wanelo.com/shoesdotcom
- Polyvore shoesdotcom.polyvore.com
- Pinterest “SHOES.COM” www.pinterest.com/shoesdotcom
- YouTube “SHOES.COM” <https://www.youtube.com/user/shoescom>