



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.**

AMONG:

DEANS KNIGHT CAPITAL MANAGEMENT LTD.

PETITIONER

AND:

**SHOEME TECHNOLOGIES LIMITED
SHOES.COM TECHNOLOGIES INC.**

RESPONDENTS

NOTICE OF APPLICATION

(APPROVAL AND VESTING ORDER)

Names of applicant: Alvarez & Marsal Canada Inc., in its capacity as receiver of all of the current and future assets, undertakings and properties of Shoeme Technologies Limited and Shoes.com Technologies Inc. (the "Receiver")

On Notice to: Deans Knight Capital Management Ltd.

And to: The parties listed on the Service List attached as **Schedule "A"**

TAKE NOTICE that an application will be made by the Receiver to the presiding Judge at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, on Wednesday April 5th at 9:45am for the orders set out in Part 1 below.

2017

Part 1: ORDERS SOUGHT

1. An order (the "Sale Approval and Vesting Order") substantially in the form attached as **Schedule "B"** hereto:

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80.00

- (a) authorizing and directing the Receiver to enter into the sale transaction (the “**Transaction**”) contemplated in the bill of sale dated on or about the date hereof (the “**Bill of Sale**”) between the Receiver, as vendor, and DSW Shoe Warehouse, Inc., (“**DSW**”), as purchaser, in substantially the same form as attached hereto as **Schedule “C”**;
- (b) approving the Transaction as being commercially reasonable;
- (c) authorizing and directing the Receiver and DSW to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to DSW of the assets described in the Bill of Sale; and
- (d) declaring that the time for service of this Notice of Application be and is hereby abridged such that the Notice of Application is properly returnable as of April 5th, 2017.

2. Such further and other orders, declarations, and directions as counsel may request and this Honourable Court deems to be just and convenient in the circumstances.

Part 2: FACTUAL BASIS

3. Shoeme Technologies Limited (“**Shoeme**”) is a wholly-owned subsidiary of Shoes.com Technologies Inc. (“**Shoes.com**”, and collectively with Shoeme, the “**Debtors**”).

4. Prior to the Receivership Orders (as defined below), the Debtors were in the business of online and in-store retail of shoe apparel and related accessories. As part of this business, the Debtors own (among other things) various inventory and intangible assets, including without limitation, various internet domain names, trademarks (both registered and un-registered), proprietary software, social media accounts, goodwill, accounts, instruments, and other general intangibles (collectively, the “**Assets**”).

Secured Creditors of Shoeme

5. Deans Knight Capital Management Ltd. (“**Deans Knight**”) is the senior secured creditor of Shoeme. As of February 2, 2017, Shoeme was indebted to Deans Knight in the aggregate amount of approximately \$10,098,640.14, plus interest that continues to accrue and

related costs (the “**Deans Knight Debt**”). Repayment by Shoeme of the Deans Knight Debt is guaranteed by, among others, Shoes.com.

6. In addition to Deans Knight, the Debtors are each also indebted to Brown Shoe Investment Company Inc. and Caleres Investment Company, Inc. (collectively, “**Calares**”), which is a subordinated secured creditor.

7. In connection with certain unpaid invoices for services rendered, Geodis Logistics (Canada) Inc. (“**Geodis**”), a third party logistics provider that is storing certain inventory of Shoeme, has asserted a possessory, statutory and contractual lien against such inventory or its proceeds. The Receiver has been in ongoing discussions with Geodis regarding its claim.

Debtors’ Insolvency and Default

8. On January 27, 2017, the Debtors ceased to carry on business as a result of having insufficient liquidity to fund ongoing operations.

9. As a result, the Debtors defaulted under their financing arrangements with each of Deans Knight and Calares.

Receivership Orders

10. On February 3, 2017, by Order of the Honourable Mr. Justice MacIntosh (the “**Shoeme Receivership Order**”), the Receiver was appointed over all of the assets, undertakings and properties of Shoeme (the “**Shoeme Assets**”).

11. The Shoeme Receivership Order authorizes the Receiver to, among other things:

- (a) market any or all of the Shoeme Assets, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may consider appropriate;
- (b) sell, convey, transfer, lease or assign the Shoeme Assets or any portion thereof, out of the ordinary course of business with the approval of this Honourable Court where the purchase price for such assets exceeds \$100,000; and

- (c) apply for a vesting order or such other orders as necessary to convey the Shoeme Assets, or any part or parts thereof, to a purchaser or purchasers, free and clear of any liens or encumbrances.

12. On February 15, 2017, by Order of the Honourable Mr. Justice Grauer, the Receiver sold certain inventory and fixtures comprising part of the Shoeme Assets to Maynards Industries Ltd. (“**Maynards**”) for a purchase price of \$206,750 pursuant to the terms and conditions of a bill of sale between the Receiver and Maynards.

13. The Receiver was also appointed over all of the assets, undertakings and properties of Shoes.com (the “**Shoes.com Assets**”) on February 15, 2017 by an Order of the Honourable Mr. Justice Grauer (the “**Shoes.com Receivership Order**”, and collectively with the Shoeme Receivership Order, the “**Receivership Orders**”). The Shoes.com Receivership Order authorized the Receiver to, among other things, market and sell the Shoes.com Assets on substantively the same terms as set out in sub-paragraphs 11(a) to 11(c) above.

Marketing of Shoeme Assets

14. The Receiver conducted a joint sale process (the “**Sale Solicitation Process**”) in respect of the remaining Shoeme Assets and the Shoes.com Assets (collectively, the “**Assets**”). As part of the Sale Solicitation Process, the Assets were separated into the following parcels:

- (a) Parcel 1: Consisting of Shoeme Assets comprised of various domain names and intellectual property (the “**Parcel 1 Assets**”);
- (b) Parcel 2: Consisting of substantially all of the Shoes.com Assets, comprised of various domain names and other intellectual property (the “**Parcel 2 Assets**”); and
- (c) Parcel 3: Consisting of Shoeme Assets comprised of shoes, apparel and other inventory accessories (the “**Parcel 3 Assets**”).

15. The Receiver undertook the following activities in respect of its sales and marketing process for the Assets:

- (a) 122 potential purchasers were sent an Invitation for Offers including retailers, financial investors and liquidation firms;

- (b) newspaper advertisements were published in the Vancouver Sun on February 25, 2017 and in the Globe & Mail National Edition on February 27, 2017;
- (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; and
- (e) a deadline for submission of offers was set at 10:00am PST on March 17, 2017.

Sale of Parcel 2 Assets Complete

16. The Receiver anticipates completing the sale of the Parcel 2 Assets to Wal-Mart Stores, Inc. (“**Wal-Mart**”) for a purchase price of \$9,000,000 pursuant to the terms and conditions of a bill of sale between the Receiver and Wal-Mart, with such sale anticipated to be approved by this Honourable Court on or about March 31, 2017.

Successful Offer for the Parcel 1 Assets and the Parcel 3 Assets

17. The Receiver has determined that the offer (the “**DSW Offer**”) received from DSW for the Parcel 1 Assets and the Parcel 3 Assets (which together represent substantially all of the remaining Shoeme Assets, and shall hereinafter be referred to as the “**Purchased Assets**”) was superior to the other offers both on the terms and on price, and the Receiver is of the view that the consideration offered by DSW in respect of the Purchased Assets is fair and reasonable.

18. The Receiver accepted the DSW Offer on March 22, 2017 and intends on entering into the Bill of Sale with respect to the Purchased Assets.

19. Pursuant to the Bill of Sale, DSW agrees to purchase the Parcel 1 Assets for a total purchase price of US\$50,000 and the Parcel 3 Assets for a purchase price of US\$435,000, for a total aggregate purchase price of US\$485,000 (the “**Purchase Price**”).

20. Deans Knight (the senior secured lender to Shoeme) and Calares (the subordinate secured lender to Shoeme) have each expressed their support for the proposed sale of the Purchased Assets to DSW in accordance with the Bill of Sale.

21. In assessing the proposed sale of the Purchased Assets to DSW, the Receiver has considered:

- (a) whether the Purchase Price is fair and reasonable based on the market response and the offers received;
- (b) the overall execution risk associated with the bidding parties to complete the Transaction;
- (c) the potential for the Receiver to incur additional rent and other costs in the event that a transaction from the Purchased Assets is not concluded in a timely manner;
- (d) the overall fairness of the process to effect a sale of the Purchased Assets; and
- (e) the support of Deans Knight and Calares for the Transaction.

Urgency to Close

22. This Application is urgent because, among other reasons, the value of the internet domains forming part of the Parcel 1 Assets tend to deteriorate rapidly over time, as less internet traffic equates to decreasing potential advertising revenue for these internet domains. Furthermore, the Receiver is incurring significant costs to store the inventory forming part of the Parcel 3 Assets.

23. To maximize the recovery for all stakeholders, the Receiver asks that this Application be heard with abridged notice on April 5, 2017. Any delay in this Application could potentially impact the value of the Purchased Assets.

Part 3: LEGAL BASIS

Abridged Notice

24. Pursuant to Rule 8-5 of the *Supreme Court Civil Rules*, this Honourable Court may order that a main application be heard on short notice, thereby abridging the time for service

of the application. The Receiver submits that, for the reasons set out in paragraphs 22 and 23 above, this Application is urgent and thus an abridgement of time is appropriate. Furthermore, DSW wishes to close the Transaction as soon as possible, and all parties with a realizable economic interest in the Purchased Assets or its proceeds have consented to the Transaction.

Approval of Sale

25. The Court may appoint a receiver to take possession of an insolvent person's property, exercise any control that the court considers advisable over that property and to take any other action that the court considers advisable.

Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3 (the "BIA") s. 243.

26. A receiver has the obligation to act honestly and in good faith, and to deal with the property of an insolvent person in a commercially reasonable manner.

BIA s. 247.

27. In considering a proposed sale, the Court should consider:

- (a) whether the receiver made a sufficient effort to obtain the best price and has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers have been obtained; and
- (d) whether there has been unfairness in working out of the process.

Royal Bank v. Soundair Corp. (1991), 7 C.B.R. (3d) 1 (Ont. C.A.) at Para 16.

28. The Receiver submits that it has made sufficient effort to obtain the best price and that it has not acted improvidently.

29. The Receiver is of the view that the sales process was fair and reasonable given the following:

- (a) all bidders had the same access to information and to management, if required;

- (b) all bidders were granted the same amount of time to conduct their due diligence; and
- (c) the timeline was fair given: (i) the nature of the Assets, and (ii) the Receiver's view that a long period of active receivership and a longer sales process is inappropriate given that DSW is ready, willing and able to close the Transaction and purchase the Purchased Assets immediately in accordance with the Bill of Sale.

30. In assessing the offer by DSW to purchase the Purchased Assets and in selecting DSW as the preferred offer for the Purchased Assets, the Receiver considered:

- (a) that the DSW Offer represented the greatest aggregate recovery, as compared to the other offers received by the Receiver in connection with the Purchased Assets, including combinations of those offers;
- (b) DSW's ability to close the transaction within a short period of time, which would reduce the ongoing administrative costs of the Shoeme receivership; and
- (c) the support of Deans Knight and Calares.

31. Based on the above considerations, the Receiver has determined that the DSW Offer pursuant to the Bill of Sale represents the highest and best offer for the Purchased Assets. Accordingly, the Receiver seeks an Order from this Honourable Court approving the Transaction contemplated by the Bill of Sale, the execution and entering into of the Bill of Sale by the Receiver, and the vesting of clear title in and to the Purchased Assets to DSW in accordance with the terms of the Bill of Sale.

Part 4: MATERIALS TO BE RELIED ON

32. The Shoeme Receivership Order granted by February 3, 2017;

33. The Shoes.com Receivership Order granted on February 15, 2017;

34. The Receiver's Second Report dated March 30, 2017 regarding, among other things, the Shoeme Assets; and

35. Such other material as counsel may advise and this Honourable Court may permit.

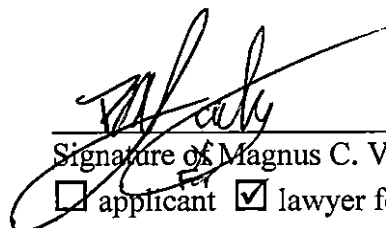
The Applicant estimates that the application will take 15 minutes.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: March/30/2017



Signature of Magnus C. Verbrugge
 applicant lawyer for applicant(s)

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of
Part 1 of this notice of application

with the following variations and additional terms:

Date: _____
Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- other

Schedule "A"

SERVICE LIST

Please see attached.

SERVICE LIST
(UPDATED ON MARCH 28, 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

<p>Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver, BC V6C 3R8</p> <p>Attention: John R. Sandrelli Tevia Jeffries</p> <p>Telephone: 604-657-4460 Fax: 604-683-5214</p> <p>Email: john.sandrelli@dentons.com Email: tevia.jeffries@dentons.com Email: Miriam.dominguez@dentons.com</p> <p><i>Counsel for Deans Knight Capital Management Ltd.</i></p>	<p>Michael, Evrensel & Pawar LLP Royal Ctr., 1055 Georgia St. W., Suite 1750, Stn Royal Ctr. Vancouver, British Columbia V6E 3P3</p> <p>Attention: Andrew Hennigar Telephone: (604) 891-1184 Email: ahennigar@meplaw.ca</p> <p><i>Counsel for Shoeme Technologies Limited</i></p>
<p>Brown Shoe Investments Company Inc. 8300 Maryland Avenue St. Louis MO 63105</p>	<p>Gowling WLG (Canada) LLP Suite 2600, 160 Elgin Street Ottawa, ON K1P 1C3</p> <p>Attention: Lorne Segal Telephone: 613-786-0141 Fax: 613-788-3435 Email: lorne.segal@gowlingwlg.com Email: Garrett.Hamel@gowlingwlg.com</p> <p><i>Counsel for Caleres Investment Company, Inc.</i></p>

<p>Alvarez & Marsal Canada Inc. 400 Burrard Street Suite 1680, Commerce Place Vancouver, BC V6C 3A6</p> <p>Attention: Todd Martin Tom Powell Marianna Lee</p> <p>Telephone: 604-638-7440 Fax: 604-638-7441 E-mail: tmartin@alvarezandmarsal.com Email: tpowell@alvarezandmarsal.com Email: marianna.lee@alvarezandmarsal.com</p> <p><i>Receiver</i></p>	<p>Borden Ladner Gervais LLP 1200 Waterfront Centre 200 Burrard Street Vancouver, BC V7X 1T2</p> <p>Attention: Magnus C. Verbrugge Elly Bahrami</p> <p>Telephone: 604.640.4198 Fax: 604.622.5898</p> <p>Email: MVerbrugge@blg.com Email: ebahrami@blg.com</p> <p><i>Counsel for Alvarez & Marsal Canada Inc.</i></p>
<p>Sports Industry Credit Association 245 Victoria Ave., Suite 800 Westmount, Quebec, H3Z 2M6</p> <p>Attention: Brian Dabarno Senior Credit Analyst Tel: (514) 931-5561 Fax: (514) 931-2896</p> <p>Email: brian@sica.ca</p>	<p>Lawson Lundell LLP Suite 1600 Cathedral Place 925 West Georgia Street Vancouver British Columbia V6C 3L2</p> <p>Attention: Heather M.B. Ferris</p> <p>Telephone: 604.631.9145 Fax: 604.669.1620 Email: hferris@lawsonlundell.com Email: asimister@lawsonlundell.com</p> <p><i>Counsel for Roger Hardy and Hardy Capital Corporation</i></p>
<p>RCAP Leasing Inc. 5575 North Service Rd, Ste 300 Burlington, ON L7L 6M1</p>	<p>National Leasing Group Inc. 1525 Buffalo Place Winnipeg, MB R3T 1L9</p>
<p>Roynat Inc. Suite 1500, 4710 Kingsway St. Burnaby, BC V5H 4M2</p>	<p>Blue Chip Leasing Corporation 156 Duncan Mill Rd, Unit 16 Toronto, ON M3B 3N2</p>
<p>Her Majesty The Queen In Right of the Province of British Columbia Deputy Attorney General Ministry of Justice PO Box 9280 Stn Prov Govt Victoria BC V8W 9J7</p> <p>Email: Aaron.Welch@gov.bc.ca Email: David.Hatter@gov.bc.ca</p>	<p>Gowling WLG (Canada) LLP 550 Burrard Street, Suite 2300, Bentall 5 Vancouver, BC, V6C 2B5</p> <p>Attention: Colin Brousson</p> <p>Telephone: 604.891.2286 Fax: 613.683.3558 Email: colin.brousson@gowlingwlg.com</p> <p><i>Counsel for Bank of Montreal</i></p>

<p>Bennett Jones LLP 3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4</p> <p>Attention: Mark S. Laugesen Telephone: 416 777 4802 Fax: 416 863 1716 Email: laugesenm@bennettjones.com</p> <p><i>Canadian Counsel for Wells Fargo</i></p> <p>Lane Powell 1420 Fifth Ave, Suite 4200 Seattle, WA 98111-9402</p> <p>Attention: Gregory Fox Annie Norby</p> <p>Telephone: 206.223.7129 Email: foxg@lanepowell.com Email: NorbyA@LanePowell.com</p> <p><i>US Counsel for Wells Fargo</i></p>	<p>Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, Ontario M2N 7E9</p> <p>Attention: Harvey G. Chaiton Telephone: 416.218.1129 Fax: 416.218.1849 Email: harvey@chaitons.com</p> <p><i>Counsel for Geodis</i></p>
<p>Rosenthal & Rosenthal, Inc. 1370 Broadway, 3rd Floor New York, YU 10018</p> <p>Attention: Anthony DiTirro Telephone: 212.356.1452 Fax: 212.356.3452 Email: TDiTirro@rosenthalinc.com</p> <p><i>Counsel for Dolce Vita Footwear, Report Footwear and Steve Madden</i></p>	<p>Schwabe, Williamson & Wyatt 1211 SW Fifth Avenue Suite 1500 Portland, OR 97204</p> <p>Attention: Alex Poust Telephone: 503-796-2913 Cell: 503-381-4301 Email: apoust@schwabe.com</p> <p><i>US Counsel for Oswego Group, LLC d/b/a Inverness Group, Receiver</i></p> <p>Oswego Group LLC PO Box 861 Lake Oswego, OR 97034</p> <p>Attn: John Davidson</p>
<p>Gall Legge Grant and Munroe LLP 1000 – 1199 West Hastings Street Vancouver BC V6E 3T5</p> <p>Attention: Wendy Zhang Telephone: (604) 891-1166 Fax: (604) 669-5101 E-mail: wzhang@glgmlaw.com</p> <p><i>Counsel for 0999849 B.C. Ltd.</i></p>	<p>McMillan LLP Royal Centre, 1055 W. Georgia Street, Suite 1500, PO Box 11117 Vancouver BC V6E 4N7</p> <p>Attention: Peter Reardon Telephone : (604) 691.7460 E-mail: peter.reardon@mcmillan.ca</p> <p><i>Counsel for Wal-Mart Stores, Inc.</i></p>

Schedule "B"

SALE APPROVAL AND VESTING ORDER

Please see attached.

**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
(APPROVAL AND VESTING ORDER)

BEFORE THE HONOURABLE

)
)
)

FRIDAY, THE ___ DAY OF

MARCH, 2017

ON THE APPLICATION of the Receiver, Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties of Shoeme Technologies Limited and Shoes.com Technologies Inc. (the “**Debtor**”), coming on for hearing at Vancouver, British Columbia on the ___ day of March, 2017; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule “A” hereto, and no one appearing for the Respondents, although duly served; AND UPON READING the material filed, including the Report of the Receiver, dated _____ (the “**Report**”);

THIS COURT ORDERS that:

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient, and this application is properly returnable today.
2. The sale transaction (the "**Transaction**") contemplated by the bill of sale dated [REDACTED], [REDACTED] (the "**Bill of Sale**") between the Receiver and DSW Shoe Warehouse, Inc. (the "**Purchaser**"), a copy of which is attached as Appendix "___" to the Report is hereby approved, and the Bill of Sale is commercially reasonable. The execution of the Bill of Sale by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents, including any minor amendments agreed to by the Receiver and the Purchaser, as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Bill of Sale and listed in Schedule "B" hereto (the "**Purchased Assets**").
3. Without limiting the generality of the foregoing, the Receiver 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.
4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Bill of Sale shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated February 3, 2017; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the

Personal Property Security Act of British Columbia or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. Upon presentation for registration in the Office of the Registrar of Trademarks in the Canadian Intellectual Property Office of a certified copy of this Order, together with a letter from Borden Ladner Gervais LLP, solicitors for the Receiver, authorizing registration of this Order, the Registrar of Trademarks in the Canadian Intellectual Property Office is to register the transfer of the Debtor’s Canadian trademark registration set out in Schedule “B” to the Purchaser.
6. Upon presentation of a certified copy of this Order, together with a letter from Borden Ladner Gervais LLP, solicitors for the Receiver, authorizing registration of this Order, each registrar of a domain name forming part of the Purchased Assets is to transfer registration and administration of the domain name to the Purchaser.
7. Upon presentation of a certified copy of this Order, together with a letter from Borden Ladner Gervais LLP, solicitors for the Receiver, authorizing registration of this Order, each service provider maintaining a social media account forming part of the Purchased Assets is to transfer registration and administration of the social media account to the Purchaser.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

9. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
10. Subject to the terms of the Bill of Sale, possession of the Purchased Assets shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Bill of Sale).
11. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
12. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation

13. THIS COURT HEREBY REQUESTS the aid and recognition of any domestic or foreign court, tribunal, regulatory or administrative body, 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 courts, tribunals, 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.

14. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
15. Endorsement of this Order by counsel appearing, other than counsel for the Receiver, is hereby dispensed with.

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

Signature of party lawyer for the Receiver

Magnus Verbrugge

By the Court.

Registrar

Schedule B – Purchased Assets

Domain Names

HARDYDESIGNWORKS.COM
JEANME.COM
PIKABOOTS.COM
PIKAWEAR.COM
SHOEER.CO
SHOEME.CA
SHOEME.CO
SHOEME.COM
SHOEME.ORG
SHOEMEOUTLET.CA
SHOEMEOUTLET.CO
SHOEMEOUTLET.COM
SHOEMEOUTLET.INFO
SHOEMEOUTLET.NET
SHOEMOI.CA
SHOEMOI.COM

Registered Trademarks

ShoeMe.ca

Customer List

Customer list maintained by the Debtor in connection with the operations of the above Domain Names excluding (i) any information that was obtained or maintained not in compliance with Canada's Anti-Spam Legislation and (ii) any information relating to any customer with a physical address located in the Province of Quebec or with a telephone number with an area code in the Province of Quebec.

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

Schedule C – Receiver’s Certificate

Please see attached.

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.**

AMONG:

DEANS KNIGHT CAPITAL MANAGEMENT LTD.

PETITIONER

AND:

**SHOEME TECHNOLOGIES LIMITED
SHOES.COM TECHNOLOGIES INC.**

RESPONDENTS

RECEIVER'S CERTIFICATE

- A. Pursuant to the Order of the Court dated February 3, 2017, Alvarez & Marsal Canada Inc. was appointed as Receiver of the assets, undertakings and properties of Shoeme Technologies Limited.
- B. Pursuant to the Order of the Court dated February 15, 2017, Alvarez & Marsal Canada Inc. was appointed as Receiver of the assets, undertakings and properties of Shoes.com Technologies Inc.
- C. Pursuant to an Order of the Court dated April 5, 2017 (the "**Approval and Vesting Order**"), the Court approved the sale of the Purchased Assets to DSW Shoe Warehouse, Inc.. (the "**Purchaser**"), providing for the vesting in the Purchaser of all of Shoeme Technologies Limited's right, title and interest in and to the Purchased Assets (as defined in the Bill of Sale), which vesting is to be effective with respect to the Purchased Assets

upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets pursuant to the Bill of Sale; and
2. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____, 2017.

**ALVAREZ & MARSAL CANADA INC., in
its capacity as Receiver of Shoeme
Technologies Limited**

Per: _____
Name:
Title:

Schedule "C"

BILL OF SALE

Please see attached.

BILL OF SALE (ABSOLUTE)

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

BETWEEN

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

(the “Vendor”)

AND

DSW SHOE WAREHOUSE, 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, as receiver of all of the right, title and interest in and to the assets and undertakings of Shoeme Technologies Limited (the “Debtor”).

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

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

D. 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 FOUR HUNDRED EIGHTY-FIVE THOUSAND FIVE HUNDRED UNITED STATES DOLLARS (USDS\$485,500) 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 the Vendor 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 the Vendor in and to 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, warranty, statement or promise 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 under or as a result of entering into or carrying out of the transactions subject to this Bill of Sale (Absolute) in its personal capacity.

5. **Taxes.** The Purchaser will pay, in addition to the Purchase Price, social services tax, 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).

6. **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.

7. **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.

8. **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.

9. **Counterparts.** This Bill of Sale (Absolute) may be executed in any number of original or facsimile 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
Shoeme Technologies Limited, and not in its
personal capacity

By: _____
Authorized Signatory

DSW SHOE WAREHOUSE, INC.

By: _____
Authorized Signatory

SCHEDULE "A"

Domain Names

HARDYDESIGNWORKS.COM
JEANME.COM
PIKABOOTS.COM
PIKAWEAR.COM
SHOEBER.CO
SHOEME.CA
SHOEME.CO
SHOEME.COM
SHOEME.ORG
SHOEMEOUTLET.CA
SHOEMEOUTLET.CO
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PETITIONER

AND:

SHOEME TECHNOLOGIES LIMITED
SHOES.COM TECHNOLOGIES INC.

RESPONDENT

NOTICE OF APPLICATION
(APPROVAL AND VESTING ORDER)

MCV/RML

562462/000001

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, BC V7X 1T2
Telephone: (604) 640-4198
Attn: Magnus C. Verbrugge