

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

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

**AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP  
HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS,  
LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE  
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES  
LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")<sup>1</sup>**

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

**MOTION RECORD OF THE INFORMATION OFFICER  
(Termination and Discharge)  
(Returnable January 24, 2019)**

**January 17, 2019**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
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**Lawyers for the Information Officer**

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<sup>1</sup>Formerly and respectively known as Rockport Blocker, LLC, The Rockport Group Holdings, LLC TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Rockport Canada ULC.

# INDEX

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**I N D E X**

<b>TAB</b>	<b>DOCUMENT</b>
1.	Notice of Motion, returnable January 24, 2019
2.	Sixth Report of the Information Officer Richter Advisory Group Inc. dated January 17, 2019
A	Pre-Filing Report of the Proposed Information Officer dated May 16, 2018
B	First Report of the Information Officer dated June 14, 2018
C	Second Report of the Information Officer dated July 19, 2018 (without Appendices)
D	Third Report of the Information Officer dated July 27, 2018
E	Fourth Report of the Information Officer dated July 31, 2018
F	Fifth Report of the Information Officer dated December 20, 2018
G	Notice of Effective Date dated December 31, 2018
H	Information Officer's Plan Implementation Certificate dated January 4, 2019

I	Affidavit of Adam Sherman, sworn January 16, 2019 re: Fees of the Information Officer
J	Affidavit of Elizabeth Pillon, sworn January 15, 2019 re: Fees of Stikeman Elliott LLP
K	Affidavit of Ericka Johnson, sworn January 16, 2019 re: Fees of Womble Bond Dickinson (US) LLP
3.	Draft Order



TAB 1

**ONTARIO  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")<sup>1</sup>**

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

**NOTICE OF MOTION  
(Termination and Discharge)  
(Returnable January 24, 2019)**

**RICHTER ADVISORY GROUP INC. ("Richter")**, in its capacity as Court-appointed information officer (the "**Information Officer**") in the within proceedings will make a motion to the Court on Thursday, January 24, 2019 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Ave., Toronto, Ontario.<sup>2</sup>

**THE MOTION WILL BE HEARD ORALLY.**

**THE MOTION IS FOR:**

1. An Order substantially in the form of the draft Order attached at Tab 3 of the Motion Record for, among other things:

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<sup>1</sup>Formerly and respectively known as Rockport Blocker, LLC, The Rockport Group Holdings, LLC TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Rockport Canada ULC.

<sup>2</sup> Any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Sixth Report (as defined herein).

- (a) approving (i) the Pre-Filing Report of Richter in its capacity as the proposed Information Officer dated May 16, 2018 (the “**Pre-Filing Report**”), and the activities of Richter in its capacity as the proposed Information Officer as described in the Pre-Filing Report, and (ii) the reports of Richter in its capacity as the Information Officer dated June 14, 2018 (the “**First Report**”), July 19, 2018 (the “**Second Report**”), July 27, 2018 (the “**Third Report**”) and July 31, 2018 (the “**Fourth Report**”), December 20, 2018 (the “**Fifth Report**”), and the activities of Richter in its capacity as the Information Officer, as described in the First Report, Second Report, Third Report, Fourth Report and Fifth Report respectively;
- (b) approving the Sixth Report of Richter, in its capacity as the Information Officer dated January 17, 2019 (the “**Sixth Report**”) and approving the activities of the Information Officer as described in the Sixth Report;
- (c) approving the fees and disbursements of Richter in its capacity as Information Officer for the period from April 25, 2018 to December 31, 2018 and approving the estimated fees and disbursements of Richter up to the date of discharge, as set out in the affidavit of Adam Sherman, sworn January 16, 2019 (the “**Sherman Affidavit**”);
- (d) approving the fees and disbursements of Womble Bond Dickinson (US) LLP (“**Womble**”), US legal counsel to the Information Officer for the period from June 5, 2018 to December 31, 2018 and approving the estimated fees and disbursements of Womble for services to be provided to the Information Officer up to its date of discharge, as set out in the affidavit of Ericka Johnson, sworn January 16, 2019 (the “**Johnson Affidavit**”);
- (e) approving the fees and disbursements of Stikeman Elliott LLP (“**Stikeman**”), legal counsel to the Information Officer for the period from April 1, 2018 to December 31, 2018 and approving the estimated fees and disbursements of Stikeman for services to be provided to the Information Officer up to its date

of discharge, as set out in the affidavit of Elizabeth Pillon, sworn January 15, 2019 (the “**Pillon Affidavit**”);

- (f) effective upon the filing of the Discharge Certificate (as defined below) :
  - i. terminating the stay of proceedings, as provided for in the Initial Recognition Order and the Supplemental Order and terminating these proceedings commenced under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”);
  - ii. terminating, discharging and releasing the Administration Charge and the BLG Charge;
  - iii. discharging Richter in its capacity as Information Officer;
  - iv. releasing Richter in its capacity as Information Officer from any and all liability that it now has or may hereafter have in any way arising out of the acts or omissions of the Information Officer while acting in its capacity as Information Officer in the CCAA proceedings, save and except for liability arising from its gross negligence or wilful misconduct; and

- 2. Such further and other relief as counsel may request and this Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

- 1. On May 14, 2018, the Debtors commenced insolvency proceedings by filing voluntary petitions with the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “**Chapter 11 Proceedings**”);
- 2. On May 15, 2018, the US Court made various orders in the Chapter 11 Proceedings (the “**First Day Orders**”), including an order authorizing Rockport Blocker to act as foreign representative of the Chapter 11 Proceedings and an order placing the Debtors under joint administration in the Chapter 11 Proceedings;

3. On May 16, 2018, this Court made the Initial Recognition Order, *inter alia*, declaring that Rockport Blocker is the “foreign representative” as defined in section 45 of the CCAA, and a Supplemental Order, *inter alia*, appointing Richter as Information Officer, recognizing the First Day Orders, and granting the Administration Charge and the DIP Lenders’ Charge;
4. On June 5, 2018, the US Court granted the Bidding Procedures Order, and on June 12, 2018 and June 13, 2018, the US Court granted the Second Day Orders, which were recognized by this Court on June 14, 2018;
5. In the period from June 29, 2018 through to July 18, 2018, the US Court entered several Orders in the Chapter 11 Proceedings, including, the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order, all of which were recognized by this Court on July 20, 2018;
6. On July 24, 2018, the US Court entered the Stipulation Order, the Omnibus Lease Rejection Order and Bar Date Order, which were recognized by this Court on July 30, 2018;
7. On July 30, 2018, the US Court entered the Adidas Settlement Order, which was recognized by this Court on August 1, 2018;
8. On August 24, 2018, the US Court entered the Case Caption Change Order, authorizing the Debtors to amend the caption used in the Chapter 11 Proceedings to reflect the change of the Debtors’ corporate names;
9. On October 1, 2018, the US Court entered the Omnibus Contract Rejection Order;
10. On October 16, 2018, the US Court entered the Interim Disclosure Statement Order, approving the Plan and Disclosure Statement on an interim basis, establishing procedures for the solicitation of votes with respect to the Plan, and granting certain related relief;
11. On December 19, 2018, the US Court made the Confirmation Order, confirming the Plan, including approving the Debtors’ Disclosure Statement in respect of the Plan;

12. On December 21, 2018, this Court made the December 21 Order recognizing and enforcing (i) the Case Caption Change Order, (ii) the Omnibus Contract Rejection Order, and (iii) the Confirmation Order. The December 21 Order also (i) approved the Rockport Canada Plan Administrator Agreement and authorized Richter to act as Rockport Canada Plan Administrator, (ii) created the BLG Charge and provided that the Administration Charge would remain in effect over the Rockport Canada Fund, (iii) authorized Richter, in its capacity as the Information Officer and the Rockport Canada Plan Administrator, to take the necessary steps to implement the Plan and (iv) authorized the DAMA distribution upon the filing of the Plan Implementation Certificate;
13. On December 31, 2018 (the “**Effective Date**”), the Debtors filed a notice with the US Court confirming that all conditions precedent to effectiveness of the Plan had been satisfied or waived;
14. In accordance with the Plan, on or about the Effective Date, the Debtors effected the transfer of the Rockport Canada Allocation Amount, less permitted offsets for professional fees and disbursements related to the Canadian proceedings, to the Rockport Canada Plan Administrator, which funds were received by Richter, in its capacity as Rockport Canada Plan Administrator, on January 3, 2019. Accordingly, on January 4, 2019, the Information Officer filed the Plan Implementation Certificate with this Court certifying that the Plan had been implemented;
15. The Information Officer anticipates its remaining activities will primarily consist of ensuring that all obligations under the Administration Charge and the BLG Charge are satisfied, updating the Information Officer’s website as necessary and responding to any enquiries regarding the Chapter 11 Proceedings (collectively, the “**Remaining Matters**”). The Information Officer anticipates that the Remaining Matters will be completed by the end of February 2019, and the Information Officer will then be in a position to file a certificate (the “**Discharge Certificate**”) with this Court certifying that it has attended to the Remaining Matters;

16. Richter, in its capacity as Information Officer, has carried out its duties in a reasonable and prudent manner and has reported to this Court on its activities as Information Officer in five previous reports, and most recently, the Sixth Report;
17. The Information Officer, its counsel, Stikeman, and the Information Officer's U.S. counsel, Womble, have maintained detailed records of their professional time and disbursements since the Information Officer's appointment;
18. The provisions of the CCAA, including Part IV thereof;
19. Rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and
20. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Sixth Report;
2. The Sherman Affidavit;
3. The Johnson Affidavit and the Pillon Affidavit; and
4. Such further and other evidence as counsel may advise and this Court may permit.

January 17, 2019

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**Lawyers for the Information Officer**

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**ONTARIO  
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PROCEEDINGS COMMENCED AT TORONTO**

**NOTICE OF MOTION  
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**Lawyers for the Information Officer**



TAB 2

Court File No. CV-18-597987-00CL

**RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, LLC, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND RELAY OPCO CANADA ULC<sup>1</sup>**

**SIXTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JANUARY 17, 2019**

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<sup>1</sup> Formerly and respectively known as Rockport Blocker, LLC, The Rockport Group Holdings, LLC TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Rockport Canada ULC

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## APPENDICES

**APPENDIX “A”** – Pre-Filing Report of the Proposed Information Officer dated May 16, 2018

**APPENDIX “B”** – First Report of the Information Officer dated June 14, 2018 (without Appendices)

**APPENDIX “C”** – Second Report of the Information Officer dated July 19, 2018 (without Appendices)

**APPENDIX “D”** – Third Report of the Information Officer dated July 27, 2018

**APPENDIX “E”** – Fourth Report of the Information Officer dated July 31, 2018

**APPENDIX “F”** – Fifth Report of the Information Officer dated December 20, 2018

**APPENDIX “G”** – Notice of Effective Date dated December 31, 2018

**APPENDIX “H”** – Information Officer’s Plan Implementation Certificate dated January 4, 2019

**APPENDIX “I”** – Affidavit of Adam Sherman, sworn January 16, 2019 re: Fees of the Information Officer

**APPENDIX “J”** – Affidavit of Elizabeth Pillon, sworn January 15, 2019 re: Fees of Stikeman Elliott LLP

**APPENDIX “K”** – Affidavit of Ericka Johnson, sworn January 16, 2019 re: Fees of Womble Bond Dickinson (US) LLP

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## I. INTRODUCTION

1. On May 14, 2018 (the “**Petition Date**”), Rockport Blocker, LLC (“**Rockport Blocker**”), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the “**US Debtors**”), and Rockport Canada ULC (“**Rockport Canada**” and together with the US Debtors, the “**Rockport Group**” or the “**Debtors**”), commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the “**Bankruptcy Code**”).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the “**First Day Motions**” and the orders granted by the US Court in respect thereof, the “**First Day Orders**”) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the “**Foreign Representative**”) of the Debtors for the within proceedings (the “**Foreign Representative Order**”).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and certain First Day Orders. Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the “**CCAA**”).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the “**Initial Recognition Order**”), which, among other things: (i) declared that Rockport Blocker is a “foreign representative” as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a “foreign main proceeding” under the CCAA (the “**Recognition Proceedings**”); and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the “**Supplemental Order**”), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (“**Richter**”) as the information officer (the “**Information Officer**”) in respect of these proceedings, (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer, (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada, (iv) granted a super-priority charge over the Debtors’ property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the “**Administration Charge**”), (v) granted a super-priority charge over the Debtors’

property in Canada in favour of the DIP ABL Lenders to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (the “**DIP ABL Lenders’ Charge**”), and (vi) recognized and gave full force and effect in Canada to certain of the First Day Orders.

6. On June 5, 2018, the US Court granted an order (A) Approving Bidding Procedures for Sale of Substantially All of the Debtors Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the “**Bidding Procedures Order**”).
7. On June 12, 2018 and June 13, 2018, the US Court entered various orders sought by the Debtors at their “second day hearings” (the “**Second Day Orders**”).
8. On June 14, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to (i) the Bidding Procedures Order and (ii) the following Second Day Orders:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers’ Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;

- (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts, (II) Waiving Certain United States Trustee Requirements, (III) Authorizing Continued Performance of Intercompany Transactions, and (IV) Granting Related Relief;
  - (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date;
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date;
  - (i) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (j) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales at their North American Retail Locations (the “**Store Closing Sales**”) and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief (the “**Store Closing Order**”);
  - (k) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules; and
  - (l) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer and Josh Jacobs as Interim Chief Operating Officer for the Debtors *nunc pro tunc* to the Petition Date.
9. On June 29, 2018, the US Court granted a Final Order (I) Authorizing The Debtors To (A) Obtain Postpetition Financing On A Super-Priority, Senior Secured Basis And (B) Use Cash Collateral, (II) Granting (A) Liens And Super-Priority Claims And (B) Adequate Protection To Certain Prepetition Lenders, (III) Modifying The Automatic Stay and (IV) Granting Related Relief (the “**Final DIP Financing Order**”).
  10. On July 5, 2018, the US Court granted an Order Pursuant to Sections 327(A) and 328(A) of the Bankruptcy Code (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors, *Nunc Pro Tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the “**Houlihan Retention Order**”).
  11. On July 16, 2018, the US Court heard the Debtors motion for an order authorizing and approving the sale (the “**Sale Transaction**”) of substantially all of the Debtors’ assets to CB Marathon Opco, LLC (the “**Purchaser**”), pursuant to an asset purchase agreement dated May 13, 2018 (the “**Asset Purchase Agreement**”), free and clear of all liens, claims,

interests and encumbrances (except certain permitted encumbrances as determined by the Debtors and the Purchaser), and authorizing the assumption and assignment of certain of the Debtors' contracts and leases to the Purchaser in connection with the Sale Transaction.

12. On July 18, 2018, the US Court entered the following orders sought by the Debtors:
  - (a) an Order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Order**"); and
  - (b) an Order Approving Stipulation Modifying Final Cash Management Order to Permit Intercompany Transfers Between Rockport Canada ULC and The Rockport Company, LLC (the "**Intercompany Payment Order**").
13. On July 20, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order.
14. On July 24, 2018, the US Court entered the following orders sought by the Debtors:
  - (a) an Order (I) Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property, (II) Authorizing Abandonment of Certain Property in Connection Therewith and (II) Granting Related Relief (the "**Lease Rejection Order**");
  - (b) an Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof (the "**Claims Bar Date Order**"); and
  - (c) an Order Approving Stipulations with (I) IC SPG POC at Edmonton LP ("**Ivanhoe**"), and (II) 90287939 Quebec Inc. cob as DAMA Construction ("**Dama**"), Regarding Lease of Non-Residential Real Property Located at Edmonton International Airport, Unit 438 (the "**Edmonton Real Property Stipulations Order**").
15. On July 30, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Lease Rejection Order, the Claims Bar Date Order, and the Edmonton Real Property Stipulations Order.
16. On July 30, 2018, the US Court entered an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholder Parties (the "**Adidas Settlement Order**").
17. On August 1, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Adidas Settlement Order.



18. On August 24, 2018, the US Court entered an order authorizing the Debtors to amend the caption used in the Chapter 11 Proceedings to reflect the change of the Debtors' corporate names (the "**Case Caption Change Order**"). Pursuant to the Case Caption Change Order, certain of the Debtors changed their corporate names as follows: Rockport Blocker, LLC to Relay Blocker, LLC, The Rockport Group Holdings, LLC to The Relay Group Holdings LLC, TRG 1-P Holdings, LLC to Relay 1-P Holdings LLC, TRG Intermediate Holdings, LLC to Relay Intermediate Holdings LLC, TRG Class D, LLC to Relay Class D, LLC, The Rockport Group, LLC to The Relay Group, LLC, The Rockport Company, LLC to The Relay Shoe Company, LLC, and Rockport Canada ULC to Relay Opco Canada ULC.
19. On October 1, 2018, the US Court entered an order Authorizing the Debtors to Reject Certain Contracts (the "**Omnibus Contract Rejection Order**") that were not assumed by Purchaser pursuant to the Sale Transaction.
20. On September 21, 2018, the Debtors filed with the US Court a Combined Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (as amended and supplemented from time to time, the "**Plan**") and the Disclosure Statement for the Plan (as amended from time to time, the "**Disclosure Statement**"). On October 16, 2018, the US Court entered an order (A) Approving the Combined Plan and Disclosure Statement on an Interim Basis, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Combined Plan and Disclosure Statement, (C) Approving the Forms of Ballots and Solicitation Materials, (D) Establishing the Voting Record Date, (E) Scheduling a Confirmation Hearing and Deadline for Filing Objections to Final Approval of the Combined Plan and Disclosure Statement and Confirmation Thereof and (F) Approving the Related Form of Notice on an interim basis (the "**Interim Disclosure Statement Order**").
21. On December 19, 2018, the US Court entered a Findings of Fact, Conclusions of Law, and Order (I) Approving Revised Combined Disclosure Statement and Chapter 11 Plan of Liquidation as Containing Adequate Information on a Final Basis and (II) Confirming Revised Combined Disclosure Statement and Chapter 11 Plan of Liquidation (the "**Confirmation Order**").
22. On December 21, 2018, the Canadian Court granted an order (the "**December 21 Order**") which, among other things: (i) approved the Rockport Canada Plan Administrator Agreement (as defined in the Plan), (ii) authorized Richter to act as the Rockport Canada plan administrator (in such capacity, the "**Rockport Canada Plan Administrator**") in accordance with the Plan and the Rockport Canada Plan Administrator Agreement, (iii) authorized that the Administration Charge shall remain in effect pending further order of the Canadian Court over the Rockport Canada Fund, (iv) granted a super-priority charge (the "**BLG Charge**") over the Rockport Canada Fund in favour of Borden Ladner Gervais LLP ("**BLG**") in respect of its fees and disbursements as counsel to the Debtors in these proceedings, and (v) recognized and gave full force and effect in Canada to the Case Caption Change Order, the Omnibus Contract Rejection Order, and the Confirmation Order.

23. Richter, in its capacities as Proposed Information Officer and Information Officer, has previously provided the Canadian Court with five reports. A copy of the report of the Proposed Information Officer dated May 16, 2018 (the “**Pre-Filing Report**”), the first report of the Information Officer dated June 14, 2018 (the “**First Report**”), the second report of the Information Officer dated July 19, 2018 (the “**Second Report**”), the third report of the Information Officer dated July 27, 2018 (the “**Third Report**”), the fourth report of the Information Officer dated July 31, 2018 (the “**Fourth Report**”), and the fifth report of the Information Officer dated December 20, 2018 (the “**Fifth Report**”) are attached hereto (without appendices) as Appendices “A”, “B”, “C”, “D”, “E”, and “F”, respectively.

## II. PURPOSE OF REPORT

24. The purpose of this sixth report of the Information Officer (the “**Sixth Report**”) is to provide the Canadian Court with information concerning:
- (a) an update on matters related to the Plan, the Chapter 11 Proceedings and Rockport Canada;
  - (b) the activities of the Information Officer since the Fifth Report;
  - (c) the accounts of the Information Officer, U.S. counsel to the Information Officer, Womble Bond Dickinson (US), LLP (“**Womble**”), and those of its legal counsel in Canada, Stikeman Elliott LLP (“**Stikeman**”); and
  - (d) to request the Canadian Court issue an order:
    - (i) approving the accounts of the Information Officer, Womble and Stikeman, including the Remaining Fees and Disbursements (as hereinafter defined), as set out in this Sixth Report;
    - (ii) approving the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, and the activities, actions and the conduct of the Information Officer set out therein;
    - (iii) terminating the Recognition Proceedings and the Stay Period (as defined in the Supplemental Order) upon filing of a certificate (the “**Discharge Certificate**”) by the Information Officer with the Canadian Court certifying that the Information Officer has attended to the Remaining Matters (as hereinafter defined);
    - (iv) discharging the Administration Charge, effective upon filing of the Discharge Certificate;
    - (v) discharging the BLG Charge, effective upon filing of the Discharge Certificate;
    - (vi) discharging Richter in its capacity as Information Officer upon the filing of the Discharge Certificate; and

- (vii) upon the Information Officer's discharge, releasing Richter from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions while acting as Information Officer, save and except for any gross negligence or willful misconduct on the part of the Information Officer.

### III. TERMS OF REFERENCE

25. In preparing this Sixth Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided on the U.S. docket in connection with the Chapter 11 Proceedings (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Sixth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
26. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
27. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. Additionally, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Prime Clerk LLC, the claims and noticing agent (the "**Claims Agent**") in the Chapter 11 Proceedings, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.

### IV. UPDATE ON CERTAIN MATTERS RELATING TO THE DEBTORS

#### The Plan

28. As noted above, on December 19, 2018, the US Court granted the Confirmation Order, which was recognized by the Canadian Court on December 21, 2018. On December 31, 2018 (the "**Effective Date**"), the Debtors filed a notice (the "**Notice of Effective Date**") with the US Court confirming that all conditions precedent to effectiveness pursuant to Article XV.B of the Plan and the Disclosure Statement have been satisfied or waived. A copy of the Notice of Effective Date is attached hereto as **Appendix "G"**.
29. The Notice of Effective Date also provided for the following:

- (a) all parties asserting claims arising from the rejection of executory contracts or unexpired leases pursuant to the Plan are required to file a proof of claim by no later than 5:00pm Eastern Time on January 30, 2019; and
  - (b) holders of administrative expense claims (other than holders of Professional Fee Administrative Claims and the Claims of Governmental Units arising under Section 503(b)(1)(B), (C), or (D) of the Bankruptcy Code) are required to file requests for allowance and payment thereof on or before 4:00pm Eastern Time on January 30, 2019.
30. In accordance with the Plan, on or about the Effective Date, the Debtors effected the transfer of the Rockport Canada Allocation Amount (as defined in the Fifth Report), less permitted offsets for professional fees and disbursements related to the Information Officer and its counsel, to the Rockport Canada Plan Administrator. In total, the Rockport Canada Plan Administrator received USD\$5,848,838 on January 3, 2019. From this amount, the Rockport Canada Plan Administrator will need to pay the Remaining Fees and Disbursements (as hereinafter defined) and the outstanding fees and disbursements of BLG incurred since the closing of the Sale Transaction, prior to satisfying any claims and interests against Rockport Canada.
31. On January 4, 2019, the Information Officer filed a certificate (the “**Plan Implementation Certificate**”) with the Canadian Court certifying that the Plan had been implemented, a copy of which is attached hereto as **Appendix “H”**.

#### **Dama Distribution**

32. As noted in the Fifth Report, Canadian counsel for Rockport Canada, in consultation with Rockport Canada and the Information Officer, determined that the lien registered by Dama in the amount of \$139,892.27 (the “**Lien Funds**”) against the leasehold interest of Rockport Canada pursuant to the Builders’ Lien Act (Alberta) was valid and enforceable, and represented a priority claim in the Recognition Proceedings.
33. Pursuant to the December 21 Order, the Information Officer was authorized and directed to release the Lien Funds to Dama upon the filing of the Plan Implementation Certificate. On January 9, 2019, the Information Officer remitted the Lien Funds to counsel for Dama.

#### **Upcoming Matters in the Chapter 11 Proceedings**

34. The US Court has scheduled a hearing date of January 28, 2018 in respect of the following:
- (a) Motion of Debtors for Entry of Order Approving Stipulation Among Debtors and BAMS Regarding Application of Reserve (the “**BAMS Stipulation**”); and
  - (b) Motion of Debtors for Entry of Order (I) Modifying Joint Administration Order to Authorize Separate Administrative of Chapter 11 Case of Relay Opco Canada ULC, and (II) Approving Related Change of Case Caption (the “**Separate Administration Order**”).

35. The Information Officer notes that the Case Caption Change Order entered by the US Court inadvertently changed the name of Rockport Canada ULC to Relay Canada LLC, rather than to Relay Opco Canada ULC as was intended by the Debtors. The Information Officer understands that the Separate Administration Order, if granted by the US Court, corrects the caption for Rockport Canada to Relay Opco Canada ULC, which is consistent with the Plan and the Rockport Canada Plan Administrator Agreement.
36. The Information Officer understands the Foreign Representative does not intend to seek recognition of the BAMS Stipulation or the Separate Administration Order in Canada, and therefore with the Plan implemented, the Information Officer can proceed with the termination of the Recognition Proceedings.

## **V. ACTIVITIES OF THE INFORMATION OFFICER**

37. The activities of the Information Officer since the Fifth Report include:
  - (a) responding to creditor inquiries regarding the Chapter 11 Proceedings, the Recognition Proceedings and the Plan;
  - (b) communicating with the Debtors' advisors and the Information Officer's counsel regarding the status of matters related to the implementation of the Plan, the Chapter 11 Proceedings and the Recognition Proceedings, and the quantum of net funds to be received by the Rockport Canada Plan Administrator;
  - (c) communicating with the Debtors in connection with the sales tax and corporate tax accounts for Rockport Canada;
  - (d) reviewing materials filed by the Debtors in the Chapter 11 Proceedings in connection with the Separate Administration Order and the BAMS Stipulation;
  - (e) attending before the Canadian Court in connection with the December 21 Order;
  - (f) communicating with Canadian counsel for Rockport Canada regarding the distribution to Dama;
  - (g) reviewing and commenting on the Rockport Canada Plan Administrator Agreement; and
  - (h) preparing this Sixth Report.

## **VI. REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS**

38. The Information Officer, its counsel, Stikeman, and the Information Officer's U.S. counsel, Womble, have maintained detailed records of their professional time and disbursements since the Information Officer's appointment.
39. Pursuant to paragraph 17 of the Supplemental Order, the Information Officer and its counsel shall each be paid their reasonable fees and disbursements both before and after the making of the Supplemental Order. Further, pursuant to

paragraph 18 of the Supplemental Order, the Information Officer and its legal counsel shall pass their accounts from time to time, and that the accounts of the Information Officer and its legal counsel are not subject to approval in the Chapter 11 Proceedings.

40. The total fees and disbursements of the Information Officer during the period from April 25, 2018 to December 31, 2018 (the “**Information Officer Fee Period**”), amount to \$515,119.00, together with disbursements in the amount of \$50,024.00, both excluding sales taxes (collectively, the “**Information Officer’s Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Canadian Court. Attached hereto as **Appendix “I”** is the affidavit of Adam Sherman in respect of the Information Officer’s Accounts.
41. The total fees and disbursements of Stikeman, as counsel to the Information Officer, during the period from April 1, 2018 to December 31, 2018 (the “**Stikeman Fee Period**”), amount to \$375,703.40, together with disbursements in the amount of \$3,910.44, both excluding sales taxes (collectively, the “**Stikeman Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Canadian Court. Attached hereto as **Appendix “J”** is the affidavit of Elizabeth Pillon in respect of the Stikeman Accounts.
42. The Information Officer also retained counsel in the U.S. to represent the Information Officer in connection with the Chapter 11 Proceedings. The total fees and disbursements of Womble, as U.S. counsel to the Information Officer, during the period from June 5, 2018 to December 31, 2018 (the “**Womble Fee Period**”), amount to USD\$112,875.00, together with disbursements in the amount of USD\$1,820.41 (collectively, the “**Womble Accounts**”). Attached hereto as **Appendix “K”** is the affidavit of Ericka Johnson in respect of the Womble Accounts.
43. The Information Officer has reviewed the Stikeman Accounts and the Womble Accounts and confirms that the services reflected therein have been duly authorized and duly rendered and that, in the Information Officer’s opinion, the charges are reasonable.
44. On the assumption that there are no delays, disputes or unforeseen developments in connection with these proceedings, including the within motion, and the performance of the Remaining Matters, the Information Officer has estimated fees and disbursements in the amount of \$70,000, excluding applicable taxes (the “**Remaining Fees and Disbursements**”), for services that have been provided or will be provided up the date of the Discharge Certificate, as follows:
  - (a) Information Officer - \$40,000;
  - (b) Stikeman - \$20,000; and
  - (c) Womble - \$10,000.

45. The Remaining Fees and Disbursements were determined by the Information Officer, in consultation with Stikeman and Womble, on the assumption that the Discharge Certificate would be filed by the end of February 2019. The Information Officer will submit further accounts to the Rockport Canada Plan Administrator for payment from the Rockport Canada Fund (as defined in the Plan) of the fees and disbursements actually incurred by the Information Officer, Stikeman and Womble.

## **VII. DISCHARGE OF THE INFORMATION OFFICER AND TERMINATION OF THESE PROCEEDINGS**

46. With the Plan now confirmed and implemented, the Canadian counsel to the Foreign Representative has requested that the within motion include:

- (a) the discharge of the Information Officer and related customary relief, including a release of claims against the Information Officer;
- (b) the discharge of the Administration Charge;
- (c) the discharge of the BLG Charge;
- (d) the termination of the stay granted in the Recognition Proceedings; and
- (e) the termination of these Recognition Proceedings,

all to be effected upon the filing of the Discharge Certificate certifying that the Remaining Matters (as hereinafter defined) have been completed.

47. The Information Officer anticipates its remaining activities will primarily consist of ensuring that all obligations under the Administration Charge and the BLG Charge are satisfied, updating the Information Officer's website as necessary and responding to any enquiries regarding the Chapter 11 Proceedings and the Recognition Proceedings (collectively, the "**Remaining Matters**"). As noted above, the Information Officer anticipates that the Remaining Matters will be completed by the end of February 2019, and the Discharge Certificate will be filed by the Information Officer shortly thereafter.
48. The Information Officer is of the view that the foregoing will enable these proceedings to be efficiently concluded and supports the termination of the Recognition Proceedings. Thereafter, Richter will continue its role as Rockport Canada Plan Administrator, as previously described in the Fifth Report.

## VIII. CONCLUSION

49. Based on the Information received and reviewed to date, the Information Officer respectfully requests that the Canadian Court grant an order:

- (a) approving the accounts of the Information Officer, Womble and Stikeman, including the Remaining Fees and Disbursements, as set out in this Sixth Report;
- (b) approving the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, and the activities, actions and the conduct of the Information Officer set out therein;
- (c) upon the filing of the Discharge Certificate, terminating the Recognition Proceedings and the Stay Period, and discharging the Administration Charge, the BLG Charge, and Richter in its capacity as Information Officer; and
- (d) upon the Information Officer's discharge, releasing Richter from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions while acting as Information Officer, save and except for any gross negligence or willful misconduct on the part of the Information Officer.

All of which is respectfully submitted on this 17<sup>th</sup> day of January, 2019.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Relay Opco Canada ULC *et al***  
**and not in its personal capacity**



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Adam Sherman, MBA, CIRP, LIT



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Pritesh Patel, MBA, CFA, CIRP, LIT



## **APPENDIX A**

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

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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**REPORT OF THE PROPOSED INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**MAY 16, 2018**

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**REPORT OF THE PROPOSED INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**MAY 16, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and other First Day Orders (as described below).
4. On May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**) for:
  - (a) an initial recognition order (the **"Initial Recognition Order"**), *inter alia*: (i) declaring that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declaring that the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA; and (iii) granting a stay of proceedings against the Rockport Group in Canada; and
  - (b) a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA, *inter alia*: (i) recognizing and giving full force and effect in Canada to certain of the First Day Orders; (ii) appointing Richter Advisory Group Inc. (**"Richter"** or the **"Proposed Information Officer"**) as the information officer (the **"Information Officer"**) in respect of these proceedings; (iii) staying any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer; (iv) restraining the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada; (v) granting a super-priority charge over the Debtors' property in Canada in favour of the Proposed

Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the “**Administration Charge**”); and (vi) granting a super-priority charge over the Debtors’ property in Canada in favour of the DIP ABL Lenders (as hereinafter defined) to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (as hereinafter defined) (the “**DIP ABL Lenders’ Charge**”).

5. Other than these proceedings (the “**CCAA Recognition Proceedings**”) and the Chapter 11 Proceedings, there are currently no other foreign proceedings in respect of the Rockport Group of which the Proposed Information Officer is aware.
6. The primary purpose of the Chapter 11 Proceedings is to facilitate the Rockport Group’s entry into an asset purchase agreement to sell substantially all of the Debtors’ assets to CB Marathon Opco, LLC, an affiliate of Charlesbank Equity Fund IX, Limited Partnership (“**Charlesbank**”), or another higher or otherwise better bidder pursuant to section 363 of the Bankruptcy Code.

## **II. PURPOSE OF REPORT**

7. The purpose of this report of the Proposed Information Officer (the “**Pre-Filing Report**”) is to assist the Canadian Court in considering the Foreign Representative’s request for the Initial Recognition Order and the Supplemental Order, and to provide the Canadian Court with certain background information concerning the Rockport Group, including:
  - (a) Richter’s qualifications to act as Information Officer;
  - (b) the Rockport Group’s business and operations, including its organizational structure and financing facilities;
  - (c) Rockport Canada, the sole Canadian incorporated member of the Rockport Group;
  - (d) the Debtors’ centre of main interest;
  - (e) the events leading up to the Chapter 11 Proceedings and the CCAA Recognition Proceedings;
  - (f) the First Day Orders of the US Court that the Debtors are seeking to have recognized pursuant to section 46 of the CCAA;
  - (g) the Proposed ABL Liability Allocation (as hereinafter defined);

- (h) the proposed Administration Charge and the DIP ABL Lenders' Charge; and
- (i) the proposed initial activities of the Information Officer.

### III. TERMS OF REFERENCE

- 8. In preparing this Pre-Filing Report, the Proposed Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided in the Chapter 11 Proceedings (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Pre-Filing Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 9. Unless otherwise stated, all monetary amounts contained herein expressed in United States dollars, which is the Debtors' common reporting currency.
- 10. Capitalized terms not otherwise defined herein are as defined in the application materials, including the declaration of Paul Kosturos interim Chief Financial Officer of the Debtors in support of Debtors' Chapter 11 Petition and First Day Motions, sworn May 14, 2018 (the "**Kosturos US Declaration**") and the affidavit of Paul Kosturos, sworn May 15, 2018 (the "**Kosturos Cdn Affidavit**" and together with the Kosturos US Declaration the "**Kosturos Affidavits**") filed in support of the Foreign Representative's application. This Pre-Filing Report should be read in conjunction with the Kosturos Affidavits, as certain information contained in the Kosturos Affidavits has not been included herein in order to avoid unnecessary duplication.

### IV. RICHTER'S QUALIFICATION TO ACT AS INFORMATION OFFICER

- 11. Richter has significant experience in connection with proceedings under the CCAA, including acting as a Monitor or information officer in various cases.
- 12. Adam Sherman and Pritesh Patel, the individuals at Richter with primary carriage of this matter, are certified Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees. Further, Messrs. Sherman and Patel have acted in cross-border restructurings and CCAA matters of a similar nature in Canada.
- 13. Richter has consented to act as Information Officer should this Canadian Court approve the requested Supplemental Order.

## V. BACKGROUND

### Corporate Overview and Organizational Structure

14. The Proposed Information Officer understands that the Debtors, which were founded in 1971, are an integrated global designer, distributor and retailer of comfort footwear that operates in excess of fifty markets worldwide. The Debtors offer a wide assortment of men's and women's casual dress style shoes, boots, and sandals under the Rockport brand as well as their owned Aravon and Dunham brands.
15. The Debtors' operate a global, multi-channel business, organized by brand, geography and customer type, in the following market segments:
  - (a) **Wholesale Business** – the Debtors are a leading supplier of men's and women's footwear to well-known retailers across a variety of wholesale formats, including department stores, family retail outlets, internet retailers and independently-owned retailers. The Debtors' wholesale business accounts for approximately 57% of global sales.
  - (b) **Direct North American Retail Store Business** – The Debtors operate 8 full-price and 19 outlet stores in the United States and 14 full-price and 19 outlet stores in Canada.
  - (c) **Direct eCommerce Business** – the Debtors sell their footwear products directly through the following websites: <http://www.rockport.com> and <http://www.rockport.ca>.
  - (d) **International Business** – the Debtors have partnered with 22 distributors worldwide to sell their footwear products in 35 countries, including China, Indonesia, Egypt, South Africa, Mexico and Peru, without having to establish local operations. In addition, the Debtors' non-debtor foreign affiliates operate approximately 121 retail stores across the world.
16. The Rockport Group sources its inventory and other items related to its operations (collectively, the “**Merchandise**”) from third-party manufacturers located primarily in China, Vietnam, India and Brazil. In addition, the Debtors rely on a global network of carriers, expeditors, consolidators, warehousemen and transportation service providers to transport, import and take delivery of the Merchandise on a worldwide basis.
17. In particular, the Debtors rely on warehouseman and logistics providers to (i) coordinate and process various import duties and related charges at ports or transportation centers around the world and (ii) transport and store Merchandise at the Debtors' warehousing and distribution centers located in the United States, Canada (in Brampton, Ontario) and internationally.



18. The Debtors' business in the United States is operated by The Rockport Company, LLC ("**Rockport US**") and the Debtors' Canadian business is operated by Rockport Canada, a British Columbia unlimited liability company. An organizational chart setting out the corporate structure of the Rockport Group is attached as Exhibit "P" to the Kosturos Cdn Affidavit.
19. Details of the Rockport Group, its incorporating jurisdictions and the location of its head offices are as follows:

Debtor	Jurisdiction of Incorporation	Head Office
Rockport Blocker, LLC	Delaware	West Newton, Massachusetts
The Rockport Group Holdings, LLC	Delaware	West Newton, Massachusetts
TRG 1-P Holdings, LLC	Delaware	West Newton, Massachusetts
TRG Intermediate Holdings, LLC	Delaware	West Newton, Massachusetts
TRG Class D, LLC	Delaware	West Newton, Massachusetts
The Rockport Group, LLC	Delaware	West Newton, Massachusetts
The Rockport Company, LLC	Delaware	West Newton, Massachusetts
Drydock Footwear, LLC	Delaware	West Newton, Massachusetts
DD Management Services LLC	Massachusetts	West Newton, Massachusetts
Rockport Canada ULC	British Columbia	West Newton, Massachusetts

20. Rockport Canada is the only Debtor incorporated in Canada.

#### Capital Structure – Debt Obligations

21. As at the Petition Date, the Debtors' consolidated long-term debt obligations totaled approximately \$257 million. The Debtors' consolidated long-term debt obligations outstanding as at the Petition Date are outlined in the below table and in the paragraphs that follow:

Indebtedness	Principal Outstanding (USD\$ millions)
Prepetition ABL Facility	57.0
Prepetition Notes Facility	188.3
Prepetition Subordinated Note	11.9
<b>Total</b>	<b>257.2</b>

22. In addition to the above long-term debt obligations, as at the Petition Date, the Debtors estimate that they have unsecured obligations owing to trade creditors totaling approximately \$29.6 million

## Prepetition ABL Facility

23. As noted in the Kosturos Affidavits, the Debtors have outstanding secured debt to various lenders pursuant to a revolving credit agreement, dated July 31, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the **“Prepetition ABL Facility”**) among certain of the Debtors, including Rockport Canada, and Citizens Business Capital (**“CBC”**), as administrative agent and collateral agent for the lenders. The Prepetition ABL Facility provides for borrowings of up to \$60 million in aggregate principal revolving loan commitments and a sublimit of \$10 million for letters of credit.
24. Although Rockport Canada’s borrowing availability under the Prepetition ABL Facility has been reduced to zero, Rockport Canada is jointly and severally liable both as a borrower and as a guarantor of the Rockport Group’s obligations under the Prepetition ABL Facility and has provided security over all of its assets to secure such obligations (the **“CBC Security”**).
25. Prior to the Petition Date, the Prepetition ABL Facility was used to fund the Rockport Group’s daily operations and the Debtors made daily requests to CBC to transfer available funds under the Prepetition ABL Facility into the Debtors’ primary operating account. In turn, Rockport would distribute funds to entities/affiliates of the Rockport Group, as needed by way of intercompany transfers.
26. Although Rockport Canada has not borrowed any monies directly under the Prepetition ABL Facility (Rockport Canada has guaranteed all amounts owing under the Prepetition ABL Facility), its assets were included in the facility’s borrowing base and funds received under the facility were used to, among other things, purchase Merchandise sold by Rockport Canada. As such, Rockport Canada’s access to the funding provided to other Debtors under the Prepetition ABL Facility was critical to its ability to operate as a going concern prior to the Petition Date.
27. As at the Petition Date, approximately \$57 million (including issued/outstanding letters of credit totaling approximately \$3.5 million) was outstanding under the Prepetition ABL Facility.
28. The Proposed Information Officer has received an opinion from its independent legal counsel, Stikeman Elliott LLP, confirming that subject to the typical qualifications and assumptions, the CBC Security is valid and enforceable in the provinces of Ontario and Quebec. At present, the Proposed Information Officer has not obtained an opinion regarding the validity and enforceability of the CBC Security in other provinces where Rockport Canada has operations. The Proposed Information Officer does note that, with the exception of CBC, there are no other registered security interests against Rockport Canada in the provinces where Rockport Canada has operations.

## **Prepetition Notes Facility**

29. As at the Petition Date, the Debtors (excluding Rockport Canada) have outstanding secured debt in respect of the senior secured notes issued by certain of the Debtors in 2015 (and due in 2022) in the original principal amount of \$130 million (the “**Initial Prepetition Notes**”). Prior to the Petition Date, approximately \$41 million in additional senior secured notes (the “**Additional Prepetition Notes**” and together with the Initial Prepetition Notes, the “**Prepetition Notes Facility**”) were issued to the holders (the “**Prepetition Noteholders**”) of the Initial Prepetition Notes. The Additional Prepetition Notes are senior in right of payment to the Initial Prepetition Notes. The Rockport Group (excluding Rockport Canada) has pledged all of its assets to secure the Debtors’ obligations under the Prepetition Notes Facility (the “**Notes Security**”). Pursuant to an Intercreditor Agreement dated July 31, 2015 between CBC and the Cortland Capital Market Services LLC (in its capacity as agent under the Prepetition Notes Facility), the CBC Security ranks in priority to the Notes Security in respect of the Revolving Priority Collateral (as defined therein) and the Notes Security ranks in priority to the CBC Security in relation to the Notes Priority Collateral (as defined therein) in relation to the same assets. As noted above, the Notes Security does not include the Rockport Canada assets.
30. As at the Petition Date, approximately \$188.3 million was outstanding under the Prepetition Notes Facility.
31. The Proposed Information Officer understands that the Prepetition Notes Facility was used to provide the Debtors with additional liquidity and to fund day-to-day operations.

## **Prepetition Subordinate Notes**

32. As at the Petition Date, the Debtors (excluding Rockport Canada) have outstanding obligations pursuant to certain promissory notes issued by certain of the Debtors in 2015 in favour of Reebok International Ltd. (the “**Prepetition Subordinated Notes**”). As at the Petition Date, approximately \$11.9 million was outstanding under the Prepetition Subordinated Notes.
33. The Prepetition Subordinated Notes are unsecured and, pursuant to an agreement dated July 31, 2015, subordinated to the Prepetition ABL Facility and the Prepetition Notes Facility.

## **Overview of Rockport Canada's Business**

34. Rockport Canada is an indirect wholly-owned subsidiary of Rockport US. Although Rockport Canada's registered office is located in Vancouver, British Columbia, the Proposed Information Officer understands that all material decisions regarding Rockport Canada and its business operations are made by Rockport US personnel in the United States.

35. Rockport Canada's operations include 14 retail (i.e. full-price) stores and 19 outlet stores, which are located in Alberta (6), British Columbia (3), Manitoba (2), Nova Scotia (1), Ontario (16), Prince Edward Island (1) and Quebec (4). All of Rockport Canada's retail/outlet locations are leased.
36. Rockport Canada operates a warehouse and distribution facility located in Brampton, Ontario, which is leased by Expeditors International of Washington, Inc. ("**Expeditors**"). Expeditors coordinates and processes import duties and arranges for transport of the Rockport Group's inventory, including the inventory of Rockport Canada in the Brampton warehouse.

### **Financial Position of Rockport Canada**

37. The Proposed Information Officer understands that Rockport Canada does not independently report its financial results. Rockport Canada's financial reporting is included as part of consolidated reporting for the Rockport Group.
38. As at February 28, 2018 (the date of the most recent internal unaudited financial information for Rockport Canada), Rockport Canada had assets with a book value of approximately CAD\$40.9 million and total liabilities of approximately CAD\$36.5 million.
39. As previously noted (although not reflected in the above internal unaudited financials), Rockport Canada is jointly and severally liable for all amounts owing under the Prepetition ABL Facility. As at the Petition Date, approximately \$57 million was outstanding under the Prepetition ABL Facility.
40. In addition, as at February 28, 2018, Rockport Canada's assets include approximately CAD\$24.3 million of inventory (on-hand and in-transit). As a result of Rockport Canada's dependence on the Rockport Group for corporate, managerial and other support functions, including sourcing and procurement of inventory, Rockport Canada's Merchandise is acquired by the Rockport Group such that Rockport Canada does not have significant third-party accounts payable. As at February 28, 2018, Rockport Canada's outstanding intercompany obligations to other Rockport Group entities represented approximately 90% of Rockport Canada's total indebtedness or approximately CAD\$32.6 million.
41. As at the Petition Date, the Proposed Information Officer understands that Rockport Canada has approximately CAD\$1.1 million of cash on hand.

## Employees of Rockport Canada

42. As at the Petition Date, Rockport Canada had 220 employees (4 salespersons and 216 retail employees). The Rockport Canada employees are not represented by a union and Rockport Canada does not sponsor any pension plans for its employees.
43. Rockport Canada maintains compensation and benefits programs for its employees, including an RRSP program. Pursuant to the RRSP program, the Rockport Group contributes an amount equal to 7.5% of a participating employee's earnings provided that the participating employee contributes at least 2.5% of his or her earnings. As at the Petition Date, Rockport Canada owes approximately \$140,000 in amounts due to its employees under its compensation and benefits programs. The Wages Order (as hereinafter defined) provides for the ongoing payment of wages and benefits to all employees of the Rockport Group.

## Rockport Canada's Cash Management System

44. The Rockport Group uses an integrated, centralized cash management system operated by the treasury team in the United States to collect, transfer and disburse funds generated by the Rockport Group (the "**Cash Management System**").
45. Rockport Canada maintains several bank accounts in Canada (HSBC Bank of Canada) denominated in both Canadian and US dollars (the "**Canadian Operations Accounts**").
46. Notwithstanding that the Canadian Operations Accounts largely operate as a self-contained cash management system within the broader Cash Management System of the Rockport Group, the cash management system of Rockport Canada is dependent upon the Rockport Group for all treasury and related services – no Rockport Canada employees have access to the Canadian Operating Accounts (other than to request deposit slips for the operating account).
47. Prior to the Petition Date, excess cash from the Canadian Operations Accounts was periodically transferred to accounts maintained by Rockport US in partial satisfaction of Rockport Canada's intercompany obligations to the US Debtors for supplied Merchandise. During the course of these proceedings, the Proposed Information Officer understands that Rockport US will cease the practice of sweeping excess cash from the Canadian Operations Accounts such that all funds generated from Rockport Canada's operations throughout these proceedings will remain available to Rockport Canada.
48. Further details regarding the Cash Management System, including Rockport Canada's cash management system, are provided in the Kosturos Affidavits.

## VI. CENTRE OF MAIN INTEREST

49. The Rockport Group operates a highly integrated business managed out of the United States where the Debtors maintain their head office. Although Rockport Canada's registered office is in Vancouver, British Columbia, the Proposed Information Officer understands:

- (a) all material decisions regarding the Rockport Canada business and its operations are managed by Rockport Group personnel located in the United States. In particular, all of Rockport Canada's treasury and financial decisions, including borrowing and pricing decisions are made at the Debtors' head office located in West Newton, Massachusetts (the "**US Head Office**");
- (b) the Rockport Group's human resources, legal, accounting, information technology, marketing and communications functions are primarily administered from the US Head Office;
- (c) Rockport Canada does not have any human resources personnel. Human resource matters for Rockport Canada are managed by the US Head Office;
- (d) there are no management personnel employed directly by Rockport Canada or located in Canada. Rockport Canada does, however, employ store managers and area managers to oversee day-to-day operations of Rockport Canada stores. The area managers oversee the posting of jobs and identifying staffing needs, but they cannot make decisions on hiring or terminating employees without the approval of the US Head Office;
- (e) other than the retail employees located at Rockport Canada stores across Canada, there are no customer service personnel employed by Rockport Canada. All customer service matters are managed by the US Head Office (other than in-store service);
- (f) all of Rockport Canada's accounts payable and accounts receivable are managed from the US Head Office;
- (g) Rockport Canada does not have any information technology personnel. All technology decisions and issues are managed by the US Head Office. Further, the Rockport Group's e-commerce sites are managed in the United States;
- (h) although Rockport Canada's inventory is distributed from a warehouse located in Brampton, Ontario, all decisions regarding inventory management are made at the US Head Office, which forecasts inventory needs and places orders on behalf of Rockport Canada;
- (i) all strategic decisions for Rockport Canada, including asset management, capital expenditure and planning decisions are made by the US Head Office;

- (j) Rockport Canada's sole director is Robert Infantino, a resident of West Newton, Massachusetts;
  - (k) Rockport Canada's officers are Robert Infantino, Karla Jarvis, Michael Smith and Georgina Wraight, each of whom are residents of West Newton, Massachusetts; and
  - (l) the Prepetition ABL Facility is a credit facility for the benefit of the Rockport Group, including Rockport Canada;
50. Based on the foregoing, the Proposed Information Officer believes it is reasonable to conclude that the Debtors' (including Rockport Canada) "centre of main interest" is in the United States.

## VII. EVENTS LEADING TO THE CHAPTER 11 PROCEEDINGS AND CCAA RECOGNITION PROCEEDINGS

51. The Proposed Information Officer understands that over the past several years, the Rockport Group has faced economic headwinds and operational challenges that significantly and adversely impacted the operating performance of the Debtors' business, including:
- (a) a costly and time consuming separation from the logistics and information technology networks of the former owners of the Rockport division of the Debtors' business;
  - (b) disruptive and costly supply chain interruptions; and
  - (c) the poor performance of certain retail locations.
52. In December 2017, the Rockport Group retained Houlihan Lokey, Inc. ("**Houlihan**"), an investment bank with experience in mergers and acquisitions, recapitalization and financial restructurings, to explore a potential sale of the Rockport Group's assets.
53. As part of this effort, Houlihan commenced a robust marketing process for the sale of all, or certain of the Rockport Group's assets and contacted 110 potential strategic and financial acquirers regarding the opportunity (the "**Potential Interested Parties**"). Approximately 60 Potential Interested Parties executed a non-disclosure agreement to review certain confidential business and financial information and access a data room containing preliminary diligence materials. 10 parties later submitted initial, non-binding indications of interest by the submission deadline of February 6, 2018, of which 7 were granted access to a data room containing additional confidential business and financial information and 6 met with senior management of the Rockport Group in person to review the opportunity and ask any questions in connection therewith.
54. On or before March 29, 2018, 3 parties submitted final letters of intent and a further verbal bid was received on April 4, 2018.

## The Transaction

55. After reviewing and carefully considering the bids received, the Rockport Group determined, in consultation with its advisors, that Charlesbank had submitted the highest or otherwise best offer, pursuant to which Charlesbank agreed to acquire substantially all of the Rockport Group's assets (other than the Rockport Group's North American retail assets) for a purchase price of (i) \$150,000,000 in cash (the "**Base Cash Amount**") subject to certain working capital adjustments; (ii) a warrant to purchase up to 5% of the common equity of the Purchaser (as defined in the Stalking Horse Agreement (as defined below)), at an exercise price equal to 2.5 times the price of the equity invested by the Equity Commitment Party (as defined in the Stalking Horse Agreement) in Parent Holdco (as defined in the Stalking Horse Agreement) as of the Closing Date (as defined in the Stalking Horse Agreement); and (iii) the assumption of certain liabilities.
56. Following good faith, arm's length negotiations between the parties and in consultation with their advisors and key stakeholders, the Rockport Group and Charlesbank entered into an Asset Purchase Agreement, dated as of May 13, 2018 (the "**Stalking Horse Agreement**"), pursuant to which Charlesbank will acquire the Purchased Assets (as defined in the Stalking Horse Agreement), subject to higher or otherwise better offers.
57. Under the terms of the Stalking Horse Agreement, the Rockport Group's North American retail assets (i.e. retail leases and related inventory in the US and Canada) are currently identified as excluded assets. Charlesbank is still considering whether it is interested in acquiring any portion of the Rockport Group's North American retail assets. The Stalking Horse Agreement provides that, for a period of 25 days following the Petition Date, the Rockport Group will not sell or otherwise dispose of any Inventory (as defined in the Stalking Horse Agreement) other than in the ordinary course of business (the "**No Liquidation Period**").
58. Although Charlesbank is contemplating acquiring a portion of the North American retail assets, the Proposed Information Officer understands that, based on the Rockport Group's discussions with Charlesbank, the Rockport Group is of the view that Charlesbank does not intend to acquire all or substantially all of the North American retail assets.
59. As part of the initial materials filed with the US Court, the Rockport Group has filed a motion seeking the approval of the US Court to conduct store closing sales for the Rockport Group's North American retail business, subject to the ability to remove any retail location from the relief granted to the extent necessary to comply with the Stalking Horse Agreement or otherwise maximize value in connection with the sale process. Draft sales guidelines governing the conduct of any North American retail store closures (the "**Sale Guidelines**") were negotiated and attached as a schedule to the Stalking Horse Agreement, and filed with the store closing sales motion. The Proposed Information Officer understands that the motion, if required, will be returnable on June 5, 2018. The Proposed Information Officer understands the US Debtors anticipate self-liquidating any retail stores not included in the Stalking Horse Agreement



(or higher or otherwise better offer identified through the sale process), with the assistance of a consultant to be identified by the Debtors.

60. In respect of the Stalking Horse Agreement and related sales process, the Rockport Group has filed with the US Court a motion seeking the US Court's approval of the bidding procedures designed to maximize the value received for the Rockport Group's assets (the "**Bidding Procedures Order**"), returnable on June 5, 2018. The Bidding Procedures Order, among other things:
- (a) seeks to establish bidding and auction procedures in connection with the sale of the Rockport Group's assets;
  - (b) seeks approval of the proposed bid protections, including the payment of a break-up fee in an amount equal to 3% of the Base Cash Amount (i.e. \$4.5 million), pursuant to the Stalking Horse Agreement;
  - (c) seeks reimbursement of certain expenses incurred by Charlesbank (up to \$2 million), in accordance with the Stalking Horse Agreement;
  - (d) schedules an auction and sets a date and time for the sale hearing; and
  - (e) establishes procedures for notice and to determine cure amounts for contracts and leases to be assumed and assigned in connection with any sale transaction.
61. The anticipated Bidding Procedures Order will also authorize, subject to the results of the auction, entry of an order to (a) approve and authorize a sale to the winning bidder; (b) authorize the assumption and assignment of certain contracts and leases; and (c) authorize the Rockport Group to enter into a transition services agreement, as contemplated by the Stalking Horse Agreement.
62. The anticipated timeline pursuant to the Bidding Procedures Order is:

Date	Activity
on or before June 5, 2018	Hearing to consider approval of the "Bidding Procedures" and entry of the "Bidding Procedures Order"
June 27, 2018 at 4:00 pm (EST)	Sale Objection Deadline
June 29, 2018 at 5:00 pm (EST)	Bid Deadline
July 3, 2018 at 5:00 pm (EST)	Deadline for Rockport Group to notify "Potential Bidders" of their status as "Qualified Bidders"
July 10, 2018 at 10:00 am (EST)	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
July 11, 2018	Target date for the Rockport Group to file with the US Court the "Notice of Auction Results"
July 13, 2018	Proposed date of the "Sale Hearing" to consider approval of the sale and entry of the "Sale Order"
on or after July 27, 2018	Closing Date (unless the "Successful Bidder" agrees to waive the 14-day stay of the "Sale Order")

63. The Proposed Information Officer has been in contact with Houlihan regarding the marketing process noted above. The Proposed Information Officer was also provided with and reviewed the confidential information memorandum provided by Houlihan to prospective purchasers, which contained certain limited information on the Rockport Group's operations, including Rockport Canada's operations, to assist with preliminary due diligence. Houlihan also informed the Proposed Information Officer of the identity of the Interested Parties and confirmed that the opportunity was presented to 1 Canadian strategic and 1 Canadian financial buyer, both of which declined the opportunity. Houlihan further advised that additional Canadian parties would not likely be contacted as part of the sales process, as the Rockport Group's assets were being marketed as a whole (as per the Stalking Horse Agreement) and the only likely Canadian buyers had already passed on the opportunity and it was unlikely that a buyer interested in Canadian only operations would be considered.
64. The Proposed Information Officer will seek additional information from the Rockport Group and Houlihan in respect of any expressions of interest received, as part of the proposed sales process, in respect of the Canadian operations.

### VIII. FIRST DAY ORDERS OF THE US COURT FOR WHICH RECOGNITION IS SOUGHT

65. The Foreign Representative is seeking recognition of the following First Day Orders that have been entered by the US Court in the Chapter 11 Proceedings, each of which is attached as an Exhibit to the Kosturos Cdn Affidavit:
- (a) an order directing the joint administration of the Chapter 11 cases of the Rockport Group in the US Proceedings (the **"Joint Administration Order"**);
  - (b) an order appointing Prime Clerk LLC as claims and noticing agent in the Chapter 11 Proceedings (the **"Claims Agent Order"**). Pursuant to the Claims Agent Order, Prime Clerk is fully responsible for the distribution of notices and the maintenance, processing and docketing of proofs of claim, if any, filed in the Chapter 11 Proceedings;
  - (c) an order confirming the enforcement and applicability of the protections pursuant to sections 362, 365, 525 and 541(c) of the Bankruptcy Code (the **"Automatic Stay Order"**). The Automatic Stay Order enforced and restated the automatic stay provisions of the US Code and is appropriate and necessary for the Rockport Group to continue operations while it pursues its restructuring efforts;
  - (d) an order recognizing Rockport Blocker as the foreign representative of the Rockport Group in Canada (the **"Foreign Representative Order"**);
  - (e) an interim order (i) authorizing, but not directing, the Rockport Group, in its sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the

Debtors' general disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the **"Shipping and Warehousemen Order"**);

- (f) an interim order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) vendors, suppliers, service providers and similar entities that provide goods or services critical to the ongoing operation of the Debtors' business in an amount not to exceed \$2 million on an interim and final basis; and (b) foreign vendors, suppliers and service providers that provide goods or services critical to the ongoing operation of the Debtors' business in an amount not to exceed \$12 million on an interim basis and \$20 million on a final basis; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the **"Critical and Foreign Vendors Order"**);
- (g) an interim order (i) authorizing, but not directing, the Rockport Group, in its sole discretion, to pay Covered Taxes and Fees, whether arising prior to, on or after the commencement of the Chapter 11 cases; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the **"Taxes Order"**);
- (h) an interim order (i) authorizing, but not directing, the Rockport Group to continue to renew its (a) Insurance Programs, including Premium Financing, and (b) Surety Bond Program and honour all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group's employees to proceed with any claims they may have under the Worker's Compensation Program; and (iii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the **"Insurance Order"**);
- (i) an interim order (i) authorizing the Rockport Group to (a) pay certain employee compensation and benefits, (b) maintain such benefits and other employee-related programs, and (c) pay the prepetition claims of independent contractors; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the **"Wages Order"**);
- (j) an order (i) authorizing, but not directing, the Rockport Group to (a) continue to administer certain Customer Programs and (b) honour or pay Customer Obligations; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general

disbursement account and other transfers to the extent such cheques and transfers relate to any of the foregoing (the “**Customer Program Order**”);

- (k) an interim order (i) prohibiting the Rockport Group’s utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of post-petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment (the “**Utilities Order**”);
- (l) an interim order authorizing the Rockport Group to continue to use its existing cash management system (the “**Cash Management System**”) and bank accounts; (ii) waiving certain bank account and related requirements of the Office of the United States Trustee for the District of Delaware; authorizing the Rockport Group to continue its existing deposit practices under the Cash Management System (subject to the Rockport Group’s implementation of certain reasonable changes to the Cash Management System); (iv) extending the time to comply with section 345(b) of the Bankruptcy Code; and (v) authorizing the continued performance of certain transactions between and among the Rockport Group and certain of its affiliates, subject to certain limitations set out therein (the “**Cash Management Order**”); and
- (m) an interim order, among other things, (i) approving post-petition financing; (ii) granting the liens and super-priority administrative expense claim status to CBC, as administrative and collateral agent for the DIP ABL Lenders (the “**Interim DIP Financing Order**”).

66. The Proposed Information Officer understands that Canadian parties/creditors were specifically identified and provided for in the various Orders (Warehouseman Liens, Critical Suppliers, Taxing Authorities, Wages Orders and Insurance Orders) and corresponding DIP budgets/cashflows.

67. Certain of the First Day Orders that may relevant to Canadian stakeholders are addressed further below.

#### **Foreign Representative Order**

68. The Foreign Representative Order authorizes Rockport Blocker to act as the Foreign Representative of the Rockport Group to, among other things, seek recognition of the Chapter 11 Proceedings in Canada. Pursuant to the Foreign Representative Order, the US Court requested the aid and assistance of the Canadian Court to recognize the Chapter 11 Proceedings as a “foreign main proceeding” and Rockport Blocker as a “foreign representative” under the CCAA.

## **Shipping and Warehousemen Order**

69. The Shipping and Warehousemen Order authorizes (but does not direct) the Rockport Group to pay all or a portion of certain prepetition shipping and warehousing claims and certain prepetition import charges. The Shipping and Warehousemen Order was made on an interim basis and will be subject to a further hearing and final order.
70. The Rockport Group relies on a network of common carriers, expeditors, consolidators, warehousemen and transportation service providers, and other related parties in carrying out its global business operations. As the Rockport Group sources substantially all of its inventory and other goods from foreign countries, the Rockport Group may be required to pay certain import charges, including but not limited to, customs duties, detention and demurrage fees, tariffs, excise taxes or other similar obligations on merchandise delivered from foreign countries. As a disruption in the Rockport Group's supply chain may cause harm to its business and impair its restructuring efforts, the Shippers and Warehousemen Order is required to ensure the continued supply of inventory and other goods to the Rockport Group.

## **Taxes Order**

71. The Taxes Order authorizes the Rockport Group to pay certain taxes whether arising prior to, on or after the Petition Date. In the ordinary course of the Rockport Group's operations it collects, withholds and incurs various taxes, including income taxes, sales and use taxes, employment and wage-related taxes, business taxes, property taxes and other taxes.
72. The Taxes Order applies to Canadian taxation authorities, including with respect to sales taxes. The Taxes Order was made on an interim basis and will be subject to a further hearing and final order.

## **Wages Order**

73. The Wages Order authorizes the Rockport Group to, among other things, pay prepetition wages and other amounts owed to its employees and claims of independent contractors, continue all employee benefit programs and to pay all withholding obligations as such obligations are due.
74. The Wages Order authorized Rockport Canada to continue to pay Rockport Canada's employees in the ordinary course. Pursuant to the Wages Order, any amounts owed to Rockport Canada employees, including amounts for vacation pay, expenses, and benefits are expected to be paid in the ordinary course. The Wages Order was made on an interim basis and will be subject to a further hearing and final order.

## Utilities Order

75. The Utilities Order approved adequate protection assurance for certain utilities providers, established procedures for resolving claims by utility providers and prohibited utility providers from terminating service solely on the basis the Rockport Group commenced the Chapter 11 Proceedings.
76. The Utilities Order includes certain Canadian utility providers. The Utilities Order was made on an interim basis and will be subject to a further hearing and final order.

## Cash Management Order

77. The Cash Management Order authorizes the Rockport Group to continue to operate its existing Cash Management System.
78. Subsequent to the Petition Date, Rockport Canada will continue to transfer funds to the Rockport Group on account of (i) merchandise purchased post-petition from the Rockport Group, as necessary for Rockport Canada's ongoing operations (paid on a COD basis); and (ii) post-petition back office services provided by the Rockport Group (paid in accordance with prior practice, as a mark-up on the cost of Merchandise supplied) (the "**Permitted Rockport Canada Intercompany Transactions**").
79. Other than the Permitted Rockport Canada Intercompany Transactions, Rockport Canada will not transfer funds to the Rockport Group on account of any prepetition intercompany transaction, unless otherwise ordered by the US Court.
80. The Proposed Information Officer notes that the current cashflows and budget in respect of the Canadian operations (as discussed below) reflect limited, if any, excess funds will be available in Rockport Canada until such time as the sales proceeds from the Stalking Horse Agreement (or higher or otherwise better offers) and/or liquidation sales are available.

## Interim DIP Financing Order

81. As at the Petition Date and based on the cash flow projections prepared by the Rockport Group (the "**DIP Cash Flow**"), which are attached as Exhibit "S" to the Kosturos Cdn Affidavit, the Rockport Group lacked sufficient liquidity to maintain normal course operations during the proposed sales process without access to additional financing.
82. In reviewing the DIP Cash Flow for Rockport Canada, the Proposed Information Officer noted the following:
  - (a) the DIP Cash Flow projects that Rockport Canada will experience a net cash outflow of approximately CAD\$170,000 between the Petition Date and July 14, 2018;

- (b) Rockport Canada is projected to make approximately CAD\$2.2 million in payments to Rockport US for Permitted Rockport Canada Intercompany Transactions. However, based on the information provided to the Proposed Information Officer, Rockport Canada is projected to receive Merchandise in excess of this amount over the same 9 week period; and
  - (c) the referenced cash outflow does not take into account professional fees related to these proceedings, all of which have been allocated to the cash flow of the US Debtors.
83. Notwithstanding that the DIP Cash Flow projects that Rockport Canada does not require additional funds to continue operating – assuming the prohibition on sweeps of excess funds in the Canadian Operations Accounts to the US Debtors and permission to continue using post-petition revenue generated from Canadian operations during these proceedings – it is the Proposed Information Officer’s view, due to the highly integrated nature of the Rockport Group business and the essential bank-office support functions carried out by Rockport US personnel on behalf of Rockport Canada, it would be extremely difficult for Rockport Canada to continue operations if the Rockport Group did not access additional capital.
84. The Interim DIP Financing Order (which is being sought on an interim basis, and will be subject to a further hearing and final order), should it be granted, among other things, provides the Rockport Group access to:
- (a) up to \$60 million under a DIP post-petition revolving credit facility (the “**DIP ABL Facility**”) pursuant to a senior secured superpriority DIP credit agreement (the “**DIP ABL Agreement**”) between certain of the Debtors, including Rockport Canada, and CBC (in such capacity the “**DIP ABL Lender**”); and
  - (b) up to \$20 million in new money (the “**DIP Note Facility**” and together with the DIP ABL Facility, the “**DIP Financing**”) under a senior secured post-petition DIP Note Purchase and Security Agreement (the “**DIP Note Agreement**”) between certain Rockport Group entities and the holders of the Prepetition Notes Facility (in such capacity the “**DIP Note Lenders**”).
85. The DIP Financing will provide the working capital necessary for the Rockport Group to continue its business until the conclusion of the proposed sales process. Rockport Canada is, however, only a party to the DIP ABL Agreement. Consistent with the Prepetition Notes Facility, Rockport Canada is not a party to the DIP Note Facility.
86. Similar to the Prepetition ABL Facility, while Rockport Canada is listed as a borrower under the DIP ABL Facility, it has no borrowing availability. Further, the obligations that Rockport Canada will undertake pursuant to the DIP ABL Facility correspond to its prepetition obligations – that is, Rockport Canada is a party to the DIP ABL Agreement and will be jointly and severally liable both as a borrower and as a guarantor of the obligations under that facility and security will be granted over Rockport Canada in such capacity.

87. The DIP ABL Facility contains a “roll-up” provision whereby following the US Court’s approval of the Interim DIP Financing Order, the Rockport Group intends to repay obligations owing under the Prepetition ABL Facility as a “creeping roll-up” by applying the collection of accounts receivable and other proceeds from the sale of the collateral in support thereof to satisfy the amounts due under the Prepetition ABL Facility and, in turn, free up borrowing availability under the DIP ABL Facility. Following the US Court’s approval of the final DIP Financing Order, the Rockport Group will use the proceeds from the next advance under the DIP ABL Facility to “roll-up” all remaining outstanding amounts due under the Prepetition ABL Facility.
88. As at the Petition Date, the Rockport Group (i) had no availability under the Prepetition ABL Facility; (ii) other than CBC, there are no other registered security interests against Rockport Canada; and (iii) other than the Permitted Rockport Canada Intercompany Transactions, Rockport Canada will not transfer any funds to the Rockport Group on account of any prepetition intercompany transaction. Accordingly, it does not appear that the “roll-up” and security provisions of the DIP ABL Agreement are detrimental to Rockport Canada’s creditors.
89. The DIP Note Facility that has been approved on an interim basis by the US Court does not provide for direct availability to Rockport Canada. The Proposed Information Officer notes that the Prepetition Note Facility, which forms a part of the DIP Note Facility, was not secured by Rockport Canada assets, and the Debtors are not seeking to secure the Canadian assets with any charges relating to the DIP Note Facility.

## **IX. PROPOSED ABL LIABILITY ALLOCATION**

90. In preparing for the filing, the Proposed Information Officer was advised that a term and condition of the granting of the DIP Note Facility to the Debtors was the determination of the allocation of amounts outstanding to CBC under the Prepetition ABL Facility as between the US Debtors and Rockport Canada, in order to determine potential available funds from Rockport Canada to support the obligation. The DIP Note Lenders required that an agreement be reached and approved by the US Court, and recognized by the Canadian Court, prior to the return of the final DIP Financing Order, scheduled for June 13, 2018.
91. The Proposed Information Officer was advised of the DIP Note Lenders requirement and participated in discussions with counsel for the DIP Note Lenders, the DIP ABL Lender and the Debtors relating to the manner in which this condition could be met or addressed by the respective Courts. On May 12, 2018, the parties agreed to seek the following paragraph in the Interim DIP Financing Order and Initial Recognition Order relating to this issue:

the amount of proceeds realized from the sale or liquidation of the ABL Collateral and/or the DIP ABL Collateral of Rockport Canada ULC which shall be paid to the ABL Lenders and/or the DIP ABL Lenders in partial satisfaction of the outstanding ABL Obligations (as determined immediately prior to the Petition Date) and/or DIP ABL Obligations shall be determined and agreed upon among (i) the Debtors, (ii) the ABL Lenders, and (iii) the Secured Noteholders, each acting reasonably (the “Allocation Agreement”), in advance of the hearing in respect of the Final Order (the “Final Order Hearing”). The Allocation



Agreement shall be placed before the Court for approval as part of the Final Order Hearing and thereafter the Canadian Court for recognition as part of the motion to recognize the Final Order. In the event that the foregoing parties have not reached the Allocation Agreement in advance of the Final Order Hearing, the issue shall be placed before the US Bankruptcy Court at the Final Order Hearing, and thereafter the Final Order shall be placed before the Canadian Court for recognition. Any Allocation Agreement or orders approving same shall be conditional upon and require the repayment in full at or prior to closing in cash of the ABL Obligations and/or DIP ABL Obligations. The granting of this Interim Order shall be without prejudice to future arguments in respect of the Allocation Agreement or any orders approving the same.

92. The Proposed Information Officer understood that discussions would continue between the Debtors, the DIP Note Lenders, and the DIP ABL Lender and any agreement reached between the parties would be disclosed to the other stakeholders and formal approval sought from the US Court and recognition by the Canadian Court.
93. The Proposed Information Officer notes the following term was granted by the US Court relating to the allocation issues:

No Marshaling: Application of Proceeds. The DIP Agents, the DIP Lenders, and the Prepetition Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral and/or the Prepetition Collateral, as the case may be, and all proceeds shall be received and applied in accordance with the DIP Documents, the Prepetition Financing Documents, and the Prepetition Intercreditor Agreement. Notwithstanding anything to the contrary herein, the amount of proceeds realized from the sale or liquidation of the ABL Collateral (as determined immediately prior to the Petition Date) and/or the DIP ABL Collateral of Rockport Canada ULC which shall be paid to the ABL Lenders and/or the DIP ABL Lenders in partial satisfaction of the outstanding ABL Obligations (as determined immediately prior to the Petition Date) and/or DIP ABL Obligations shall be determined and agreed upon among (i) the Debtors, (ii) the ABL Lenders, and (iii) the Secured Noteholders, each acting reasonably (the "Proposed ABL Liability Allocation"), in advance of the Final Hearing. The Proposed ABL Liability Allocation shall be placed before the Court for approval as part of the Final Hearing and thereafter the Canadian Court for recognition as part of the motion to recognize the Final Order. Any Proposed ABL Liability Allocation or orders approving the same shall be conditional upon and require the repayment in full at or prior to closing of any sale as contemplated by the Sale Motion in cash of the ABL Obligations and/or DIP ABL Obligations. The granting of this Interim Order shall be without prejudice to future arguments in respect of the Proposed ABL Liability Allocation or any orders approving the same.

94. In reviewing the Kostorus US Affidavit (at paras 101-102), the Proposed Information Officer learned that the Debtors, the Prepetition Noteholders and CBC had reached a tentative agreement (the "**Proposed ABL Liability Allocation**"), which appears to have been framed as a share of obligations under the Prepetition ABL Facility, versus the allocation of proceeds contemplated above. The Proposed Information Officer was not a party to those discussions and is not in a position at this time to comment on the terms thereof. The Proposed Information Officer will report further on this matter in return of the motion seeking recognition of the final DIP Financing Order and the US Court's approval of the Proposed ABL Liability Allocation, when and if obtained.

## **IX. PROPOSED CHARGES**

95. Pursuant to the proposed Supplemental Order, Rockport Canada is seeking an Administrative Charge and a DIP Lenders' Charge.

### **Administration Charge**

96. The draft Supplemental Order contemplates an Administration Charge in respect of the fees and disbursements of the Information Officer and its counsel in an amount not to exceed CAD\$300,000. The Administration Charge is required to protect the Information Officer and its counsel in the event that their reasonable fees and expenses are unpaid. The Proposed Information Officer considers the amount of the proposed Administration Charge to be reasonable and appropriate in the circumstances. The Administration Charge would rank in priority to any other security interests, trust, liens, charges and encumbrances on the Debtors' property in Canada, including the DIP Lenders' Charge.

### **DIP Lenders' Charge**

97. As noted above, the draft Supplemental Order contemplates the granting of the DIP Lenders' Charge to secure amounts owing under the proposed DIP ABL Facility. The DIP Lenders' Charge would rank in priority to any other security interests, trust, liens, charges and encumbrances on Rockport Canada's assets except for the Administration Charge.

## **X. PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER**

98. The draft Supplemental Order provides that following its appointment, the initial activities of the Information Officer will include, *inter alia*:
- (a) publishing a notice of the Chapter 11 Proceedings and the CCAA Recognition Proceedings in the Globe and Mail, National Edition, as soon as practical following date of the Supplemental Order, if granted, once a week for two consecutive weeks (as required by the Foreign Representative pursuant to subsection 53(b) of the CCAA);
  - (b) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
  - (c) reporting to the Canadian Court with respect to the status of these proceedings and the Chapter 11 Proceedings at such times and intervals as the Information Officer deems appropriate; which reports may include information relating to the property and the business of the Debtors or such other matters as may be relevant to these proceedings and the Proposed ABL Liability Allocation; and

- (d) establishing a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the Orders granted in the CCAA Recognition Proceedings, reports of the Information Officer, motion materials, and other materials as the Canadian Court may order or the Information Officer deems appropriate.

## **XI. PROPOSED INFORMATION OFFICER'S RECOMMENDATIONS**

99. The Proposed Information Officer is satisfied that the terms of the Initial Recognition Order relating to its proposed role as Information Officer are fair and reasonable, and consistent with the terms of appointments of information officers in other recognition proceedings under the CCAA.
100. Accordingly, the Proposed Information Officer respectfully recommends that the Canadian Court grant the relief requested by the Debtors in the Initial Recognition Order and the Supplemental Order.

All of which is respectfully submitted on this 16<sup>th</sup> day of May, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Proposed Information Officer of**  
**Rockport Canada ULC *et al***  
**and not in its personal capacity**



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Adam Sherman, MBA, CIRP, LIT



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Pritesh Patel, MBA, CFA, CIRP, LIT

## **APPENDIX B**

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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**FIRST REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JUNE 14, 2018**

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
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**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**FIRST REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JUNE 14, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and other First Day Orders (as described below). Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the **"Initial Recognition Order"**) which, among other things: (i) declared that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA; and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (**"Richter"**) as the information officer (the **"Information Officer"**) in respect of these proceedings; (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer; (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada; (iv) granted a super-priority charge over the Debtors' property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the **"Administration Charge"**); (v) granted a super-priority charge



over the Debtors' property in Canada in favour of the DIP ABL Lenders (as hereinafter defined) to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (as hereinafter defined) (the "**DIP ABL Lenders' Charge**"); and (vi) recognized and gave full force and effect in Canada to the following First Day Orders:

- (a) the Foreign Representative Order;
- (b) an order directing the joint administration of the Chapter 11 Proceedings;
- (c) an order authorizing the retention of Prime Clerk LLC ("**Prime Clerk**" or in such capacity, the "**Claims Agent**") as claims and noticing agent (the "**Claims Agent Order**");
- (d) an order enforcing and restating the automatic stay protections and *ipso facto* prohibitions of the Bankruptcy Code;
- (e) an interim order authorizing the Debtors to pay all or a portion of the shipping and warehousing claims and certain import charges;
- (f) an interim order authorizing, but not directing, the Debtors to pay prepetition obligations of certain critical vendors;
- (g) an interim order authorizing, but not directing, the payment of certain taxes and fees;
- (h) an interim order authorizing the Debtors to continue to renew their insurance programs, including premium financing and surety bond programs;
- (i) an interim order authorizing the Debtors to pay certain employee compensation and benefits and prepetition claims of independent contractors and temporary workers;
- (j) an interim order authorizing, but not directing, the Debtors to maintain certain customer programs and to honour or pay certain prepetition obligations related to the customer programs during the pendency of the Chapter 11 Proceedings;
- (k) an interim order (i) prohibiting the Debtors utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of postpetition payment to the utilities providers; and (iii) establishing procedures for resolving any subsequent request by utilities for additional adequate assurance of payment;
- (l) an interim order authorizing the Debtors to, *inter alia*, continue to use their cash management system and bank accounts (the "**Interim Cash Management Order**"); and

- (m) an interim order, *inter alia*, (i) approving postpetition financing; and (ii) granting liens and super-priority administrative expense claim status to the DIP ABL Agent on its behalf and on behalf of the DIP ABL Lenders.
- 6. The primary purpose of the Chapter 11 Proceedings is to facilitate the Rockport Group's entry into an asset purchase agreement dated May 13, 2018 (the "**Stalking Horse Agreement**") to sell substantially all of the Debtors' assets to CB Marathon Opco, LLC (the "**Stalking Horse Bidder**"), an affiliate of Charlesbank Equity Fund IX, Limited Partnership ("**Charlesbank**"), or another higher or otherwise better bidder pursuant to section 363 of the Bankruptcy Code.
- 7. Richter, in its capacity as proposed Information Officer, previously filed a report (the "**Pre-Filing Report**") dated May 16, 2018 with the Canadian Court to provide information relating to the Rockport Group's business and operations, their debt and capital structure, and other matters relevant to the Canadian Court's determination of the Foreign Representative's request for the Initial Recognition Order and Supplemental Order. A copy of the Pre-Filing Report is attached hereto as Appendix "A".

## II. PURPOSE OF REPORT

- 8. The purpose of this first report (the "**First Report**") of the Information Officer is to provide the Canadian Court with information concerning:
  - (a) the motions heard by the US Court in the Chapter 11 Proceedings for the Second Day Orders (as hereinafter defined) and the motion of the Foreign Representative returnable June 14, 2018, for recognition in Canada of the Second Day Orders and the Bidding Procedures Order (as hereinafter defined);
  - (b) an update on other matters relating to the Chapter 11 Proceedings;
  - (c) an update on matters relating to Rockport Canada; and
  - (d) the activities of the Information Officer to date.

## III. TERMS OF REFERENCE

- 9. In preparing this First Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided on the U.S. docket for the Chapter 11 Proceedings (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the First Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered*

*Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

10. Unless otherwise stated, all monetary amounts contained herein expressed in United States dollars, which is the Debtors' common reporting currency.
11. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. As well, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by the Claims Agent, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.
12. Capitalized terms not otherwise defined herein are as defined in the application materials, including the affidavit of Paul Kosturos, interim Chief Financial Officer of the Debtors, sworn June 13, 2018 (the "**June 13 Kosturos Affidavit**") filed in support of the Foreign Representative's motion. This First Report should be read in conjunction with the June 13 Kosturos Affidavit, as certain information contained in the June 13 Kosturos Affidavit has not been included herein in order to avoid unnecessary duplication.

#### **IV. ORDERS OF THE U.S. COURT FOR WHICH RECOGNITION IS SOUGHT**

13. On June 5, 2018, the US Court heard the Debtors motion for Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors' Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors' Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the "**Bidding Procedures Order**"); and (II)(A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief. The Foreign Representative is seeking recognition of the Bidding Procedures Order on the within motion.
14. On June 12, 2018, the US Court entered various orders sought by the Debtors, of which the Foreign Representative is seeking recognition of the following orders (the "**June 12 Entered Orders**") on the within motion:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;

- (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers' Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;
  - (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts; (II) Waiving Certain United States Trustee Requirements; (III) Authorizing Continued Performance of Intercompany Transactions; and (IV) Granting Related Relief (the "**Final Cash Management Order**");
  - (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date (the "**Ordinary Course Professionals Order**"); and
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date (the "**Administrative Advisor Order**").
15. The Information Officer understands the June 12 Entered Orders were entered by the US Court without hearing, as prior to the hearing date, all informal comments received by the Debtors were resolved by the Debtors to the satisfaction of the interested parties.
  16. With the exception of the Ordinary Course Professionals Order and the Administrative Advisor Order, the remaining June 12 Entered Orders grant on a final basis substantially the same relief granted on an interim basis by the US Court on May 15, 2018 and recognized by the Canadian Court pursuant to the Supplemental Order.
  17. The Information Officer notes that the Final Cash Management Order maintained the ring-fencing and protective language found in the Interim Cash Management Order, which stated Rockport Canada will not transfer funds to the Rockport Group on account of any prepetition intercompany transaction other than for Permitted Rockport Canada Intercompany Transactions (as defined in the Final Cash Management Order), unless otherwise ordered by the US Court.

18. On June 13, 2018, the US Court entered various orders sought by the Debtors at their “second day hearings”, of which the Foreign Representative is seeking recognition the following orders (the “**June 13 Entered Orders**” and together with the June 12 Entered Orders, the “**Second Day Orders**”) on the within motion:
- (a) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (b) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales (the “**Store Closing Sales**”) at their North American Retail Locations and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief (the “**Store Closing Order**”);
  - (c) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC (the “**Consultant**”) as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules (the “**Liquidation Consultant Order**”); and
  - (d) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC (“**A&M**”) to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer (the “**Interim CFO**”) and Josh Jacobs as Interim Chief Operating Officer (the “**Interim COO**”) for the Debtors *nunc pro tunc* to the Petition Date (the “**A&M Retention Order**”).
19. The Bidding Procedures Order and the Second Day Orders are each attached as an exhibit to the June 13 Kosturos Affidavit. The Bidding Procedures Order and certain of the Second Day Orders that may be relevant to Canadian stakeholders are addressed further below.

### **Bidding Procedures Order**

20. The Bidding Procedures Order, among other things:
- (a) established bidding and auction procedures pursuant to which the Rockport Group would solicit and select the highest or otherwise best offer for the sale of the Debtors’ assets;
  - (b) approved certain bid protections for the Stalking Horse Bidder, in particular (i) the payment of a break-up fee in an amount equal to 3% of the base cash amount of \$150 million (i.e. \$4.5 million) pursuant to the Stalking Horse Agreement, and (ii) reimbursement in an amount up to \$2 million for reasonable and documented out-of-pocket costs, fees and expenses of the Stalking Horse Bidder related to the transactions contemplated by the Stalking Horse Agreement (collectively, the “**Stalking Horse Protections**”);
  - (c) scheduled an auction, in the event the Debtors received, on or before the Bid Deadline, one or more Qualified Bids in addition to the bid from the Stalking Horse Bidder;

- (d) scheduled a sale hearing with the US Court; and
- (e) established procedures for notice and to determine cure amounts for contracts and leases to be assumed and assigned in connection with any sale transaction.

21. The key dates and timelines pursuant to the Bidding Procedures Order are:

Date	Activity
June 28, 2018 at 4:00 pm (EST)	Sale Objection Deadline
June 29, 2018 at 5:00 pm (EST)	Bid Deadline
July 3, 2018 at 5:00 pm (EST)	Deadline for Rockport Group to notify "Potential Bidders" of their status as "Qualified Bidders"
July 10, 2018 at 10:00 am (EST)	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
July 11, 2018	Target date for the Rockport Group to file with the US Court the "Notice of Auction Results"
July 16, 2018	Proposed date of the Sale Hearing to consider approval of the sale and entry of the Sale Order
on or after July 27, 2018	Closing Date (unless the "Successful Bidder" agrees to waive the 14-day stay of the "Sale Order")

22. In addition to the above, the Bidding Procedures Order set a deadline of June 28, 2018 at 4:00 p.m. EST for the filing of objections by counterparties to the proposed assumption or assignment of a contract or lease, including the proposed cure costs associated with the proposed assumption or assignment.
23. The Debtors received the following responses/objections in respect of the motion for the Bidding Procedures Order:
- (a) informal comments from the Office of the United States Trustee for the District of Delaware (the "**US Trustee**");
  - (b) comments from certain of the Debtors' landlords in the U.S., namely Starwood Retail Partners, LLC, The Macerich Company and GGP Limited Partnership;
  - (c) reservation of rights of Federal Insurance Company, Great Northern Insurance Company, Pacific Indemnity Company and ACE American Insurance Company (collectively, the "**Chubb Companies**") with respect to insurance policies issued by the Chubb Companies to the Debtors prior to the Petition Date; and
  - (d) limited objection from the Official Committee of Unsecured Creditors of the Debtors (the "**UCC**") with respect to the Stalking Horse Protections, which the UCC asserted should not be approved absent remedial changes to the Stalking Horse Agreement.
24. The Information Officer understands that the above objections were substantially resolved prior to the hearing for the Bidding Procedures Order. The Debtors confirmed to the US Court that the Stalking Horse Agreement had been

amended to permit the Debtors to continue to market the assets of the Rockport Group and provide relevant information about the Rockport Group to any parties who had executed confidentiality agreements as part of the prepetition marketing process until the earlier of 25 days from the Petition Date or entry of the Bidding Procedures Order. Further, the US Court was advised of certain amendments which had been sought by various U.S. stakeholders and were approved by the US Court, including revisions to the circumstances in which the Stalking Horse Bidder would be able to avail itself of the Stalking Horse Protections.

25. The Debtors believe that the auction process and time periods set forth in the Bidding Procedures Order are reasonable and will provide parties with sufficient time and information necessary to formulate a bid to purchase all or substantially all of the Rockport Group's assets. Given the Debtors' extensive prepetition marketing efforts (as detailed in the Pre-Filing Report), the proposed timeline appears sufficient to complete a fair and open sale process as the most likely competing bidders are among those who previously executed confidentiality agreements or completed due diligence. As such, these parties would likely need minimal time to submit competing bids, if interested in acquiring all or substantially all of the Debtors' assets.

#### **Store Closing Order**

26. As noted in the Pre-Filing Report, the Debtors' North American retail assets, which includes inventory located at the retail locations, retail leases and furniture, fixtures and equipment (collectively the "**North American Retail Assets**"), are currently identified as Excluded Assets pursuant to the Stalking Horse Agreement. As at the Petition Date, the Debtors operated 60 retail locations (full-price and outlet) in North America (the "**Closing Stores**"), of which 33 were located in Canada.
27. The Stalking Horse Agreement provides that for a period of 25 days following the Petition Date (the "**No Liquidation Period**"), the Debtors shall not sell or otherwise dispose of any inventory other than in the ordinary course of business. The No Liquidation Period is intended to preserve ordinary inventory levels at the retail locations should the Stalking Horse Bidder decide to acquire any of the Debtors' North American Retail Assets. In the event that the Stalking Horse Bidder chooses to acquire any of the Debtors' North American Retail Assets, the purchase price shall be adjusted consistent with Section 3.1 of the Stalking Horse Agreement. In addition, the Stalking Horse Bidder shall be liable for any cure costs with respect to the assumption and assignment of any related North American retail leases.
28. The motion for the Store Closing Order was originally returnable June 5, 2018, but was adjourned to June 13, 2018 at the request of the UCC to allow for discussions between certain U.S. landlords and the Stalking Horse Bidder in connection with acquiring some or all of the North American Retail Assets. However, based on ongoing discussions with the Debtors, the Information Officer understands the Stalking Horse Bidder currently does not intend to acquire any of the North American Retail Assets, but discussions are still ongoing between the parties. Further, based on the Debtors' extensive prepetition marketing efforts and the prepetition offers received for the Debtors' assets, the Debtors

do not expect there to be any significant interest in the North American Retail Assets. Accordingly, the Information Officer understands the Debtors intend to commence the Store Closing Sales as soon as practical upon recognition of the Store Closing Order by the Canadian Court.

29. The Information Officer understands that draft sales guidelines governing the conduct of any North American retail store closures (the “**US Sale Guidelines**”) were negotiated and attached as a schedule to the Stalking Horse Agreement. A copy of the US Sale Guidelines was filed with the motion for the Store Closing Order. The Store Closing Order is subject to the Debtors’ ability to remove any Closing Store from the relief granted to the extent necessary to comply with the Stalking Horse Agreement or otherwise maximize value in connection with the sale process.
30. In accordance with the US Sale Guidelines and the Canadian Landlord Agreement (as hereinafter defined), the Debtors will make every reasonable effort to sell all North American Retail Assets at the Closing Stores as quickly and efficiently as possible for the purpose of monetizing such assets, with the goal of concluding such process and vacating the Closing Stores by July 31, 2018.
31. Pursuant to the Store Closing Order, the Debtors were authorized to carry out the Store Closing Sales in accordance with the US Sale Guidelines, and to apply the US Sale Guidelines if there is any inconsistency with the terms of relevant leases or state laws or regulations regarding the conduct of store closings, liquidations or other inventory clearance sales. The Debtors were also granted approval to cease complying with state laws that require entities to pay an employee contemporaneously with his or her termination, due to the large number of anticipated terminations resulting from the Closing Store Sales and the significant time the Debtors anticipate being required to process the payroll and associated information in a manner consistent with these laws.
32. The Store Closing Order also authorized the Debtors, including Rockport Canada, to enter into agreements with any landlord modifying the US Sale Guidelines with respect to a specific store(s). The Information Officer understands Rockport Canada entered into an agreement with certain of the large Canadian landlords with respect to the conduct of the Store Closing Sales in Canada (the “**Canadian Landlord Agreement**”).
33. Certain of the Canadian landlords raised issues with Rockport Canada and the Information Officer relating to the form of the US Sales Guidelines in comparison to sales guidelines approved by the Canadian Court in recent Canadian liquidation sales (such as Nine West). These Canadian landlords approached Rockport Canada with a proposal to utilize the terms the Store Closing Order which permitted the Debtors to enter into side agreements with landlords, to modify the US Sale Guidelines that culminated in the Canadian Landlord Agreement, which applies to all of the Closing Stores in Canada. A copy of the Canadian Landlord Agreement is attached as an exhibit to June 13 Kosturos



Affidavit. The Information Officer has reviewed the Canadian Landlord Agreement and notes the modifications are consistent with sales guidelines approved by the Canadian Court on similar retail liquidations.

34. The Store Closing Order authorized the Debtors to pay up to a total of \$300,000 in retention bonuses to store-level employees as part of the Store Closing Sales. The retention bonus program covers managers, assistant managers and sales associates (including part-time associates) at the Closing Stores, but specifically excludes insiders of the Debtors, if any. The Information Officer understands the Debtors intend to use their discretion in determining the appropriate amount of the retention bonus for each respective employee, which amounts will not be paid until the conclusion of the sale at each Closing Store.
35. The Information Officer has sought additional information from the Debtors on the retention bonus program, specifically as it relates to employees at the Closing Stores in Canada. However, as of the date of this First Report, the Debtors have not identified the employees who will be eligible for a retention bonus, and have not confirmed whether any of the Canadian employees will be eligible.

#### **Liquidation Consultant Order**

36. The Liquidation Consultant Order authorizes the Debtors to engage the Consultant to assist with and manage the Store Closing Sales in accordance with the US Sale Guidelines and maximize the value returned from the North American Retail Assets. At the time the Debtors filed the motion for the Store Closing Order on May 15, 2018, the Debtors had not engaged a liquidation consultant or agent. However, the Debtors subsequently determined that it is in the best interests of their estates to retain a professional liquidation consultant to advise and assist the Debtors in the management and direction of the Store Closing Sales.
37. The Liquidation Consultant Order provides that the Consultant shall be retained on an hourly basis at the rate of \$400 per hour from the May 25, 2018 to June 8, 2018 in connection with the planning and implementation of the store closing sales, and the Consultant's compensation shall not exceed \$10,000 for this period. Pursuant to the Consultant's agreement with the Debtors, the parties can mutually agree to extend the Consultant's provision of planning services on an hourly basis beyond this date in the event the Store Closing Sales have not commenced by June 9, 2018. The Consultant will be on site at the corporate offices of the Debtors during the initial week of the Store Closing Sales and will work remotely from its own offices on a weekly basis thereafter. The Consultant's services are expected to be required for at least the first five weeks of the Store Closing Sales, and will be subject to week-to-week continuation thereafter as mutually agreed between the Consultant and the Rockport Group. The Consultant will be paid a flat fee of \$17,500 for the first week of the Store Closing Sales and a flat fee of \$10,000 for every additional week thereafter. The Consultant will also be entitled to a commission of 15% from the gross proceeds of sale of furniture, fixture and equipment.

38. Prior to the objection deadline, the Debtors received certain informal comments from the US Trustee, which were addressed by the Debtors by revising the original form of the Liquidation Consultant Order. The Information Officer understands the revised form of the Liquidation Consultant Order was acceptable to the US Trustee and the UCC.
39. The Information Officer was not involved in the selection of the Consultant or determination of the Consultant's proposed compensation. However, the Information Officer understands that the Consultant is a nationally recognized liquidation consultant with extensive experience in conducting retail store closing sales, including the orderly liquidation of inventory and furniture, fixtures, equipment, and other assets. Some of the Consultant's prior engagements include Hudson's Bay Company *Zellers* division, Lord and Taylor Home Stores, Fields, RONA, Ace Hardware, Brennan's and Strellmax.

#### **A&M Retention Order**

40. The A&M Retention Order authorized (i) the Debtors to retain the services of A&M as the Debtors' restructuring advisor, and (ii) the appointment of certain A&M personnel to act as the Debtors' Interim CFO and Interim COO for purposes of the Chapter 11 Proceedings. The Information Officer understands A&M has experience in the areas of bankruptcy and financial matters relevant to Chapter 11 Proceedings, and is intimately familiar with the Debtors' businesses, financial affairs, and capital structure, having been engaged by the Debtors in various capacities and mandates since February 2017.
41. Pursuant to the terms of a letter agreement between A&M and the Debtors, dated March 1, 2018, A&M will be paid by the Debtors for the services at their customary hourly billing rates with the exception of the Interim CFO and Interim COO. The Debtors will pay A&M a flat weekly rate of \$25,000 for each of the Interim CFO and Interim COO, for a total weekly rate of \$50,000 (prorated based on days for any partial weeks).
42. A&M received \$250,000 as a retainer in connection with preparing for and advancing the filing of the Chapter 11 Proceedings. In the 90 days prior to the Petition Date, A&M received payments totaling \$2,089,964 in the aggregate for services performed for the Debtors. A&M has applied these funds to amounts due for services rendered and expenses incurred prior to the Petition Date.
43. Prior to the objection deadline, the Debtors received certain informal comments from the US Trustee and the UCC, which were addressed by the Debtors by revising the original form of the A&M Retention Order. The Information Officer understands the revised form of the A&M Retention Order was acceptable to the US Trustee and the UCC.
44. In Debtors' view, the recognition of the A&M Retention Order in Canada is appropriate as A&M has been working with the Debtors in connection with the Debtors' restructuring and realization efforts, and have been providing services to all Debtors in connection with their role, all of which would potentially affect Rockport Canada and Canadian creditors.

### **Ordinary Course Professionals Order**

45. The Ordinary Course Professionals Order authorizes the Debtors to customarily retain the services of various attorneys and other professionals (the “**Ordinary Course Professionals**”) to represent them in matters arising in the ordinary course of their businesses, but unrelated to the Chapter 11 Proceedings.
46. The Debtors’ initial list of its current Ordinary Course Professionals expected to incur an average of \$35,000 or less of fees and expenses per month is attached as an exhibit to the Ordinary Course Professionals Order. The Debtors reserve the right to supplement this exhibit in the future.
47. The Information Officer understands the Ordinary Course Professionals includes certain Canadian professionals, including Crupi Law, which acts as Canadian real estate counsel to the Rockport Group, and McCarthy Tetrault LLP, which acts as Canadian counsel to the Rockport Group on certain corporate matters and as registration agent.

### **Administrative Advisor Order**

48. The Administrative Advisor Order authorizes the Debtors to employ and retain Prime Clerk as administrative advisor (in such capacity, the “**Administrative Advisor**”) in these Chapter 11 Proceedings pursuant to the terms of an engagement agreement which is attached as an exhibit to the Administrative Advisor Order. Prime Clerk was previously appointed as the Claims Agent pursuant to the Claims Agent Order, however the Debtors believe that administration of the Chapter 11 Cases will require Prime Clerk to perform duties outside the scope of services covered by the Claims Agent Order.
49. Pursuant to the terms the engagement agreement between the Debtors and the Administrative Advisor, the Administrative Advisor will be paid by the Debtors for the services at their customary hourly billing rates.
50. The Information Officer understands the Administrative Advisor will interact with Canadian creditors through solicitation, balloting and tabulation of votes of a plan of arrangement, if any, and will submit declarations in support of voting on any Plan, and so on.

## V. UPDATE ON CERTAIN OTHER MATTERS IN THE CHAPTER 11 PROCEEDINGS

### Final DIP Financing Order

51. On June 13, 2018, the US Court heard the Debtors' motion for a final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing on a Super-Priority, Senior Secured Basis and (B) Use Cash Collateral, (II) Granting (A) Liens and Super-Priority Claims and (B) Adequate Protection to Certain Prepetition Lenders, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief (the **"Final DIP Financing Order"**).
52. At the First Day Motions, the Debtors sought interim approval from the US Court of the DIP Financing (as hereinafter defined), which provided the Debtors with access to:
  - (a) up to \$60 million under a DIP post-petition revolving credit facility (the **"DIP ABL Facility"**) pursuant to a senior secured superpriority DIP credit agreement (the **"DIP ABL Agreement"**) between certain of the Debtors, including Rockport Canada, and Citizens Business Capital (**"CBC"** or the **"DIP ABL Lender"**); and
  - (b) up to \$20 million in new money (the **"DIP Note Facility"** and together with the DIP ABL Facility, the **"DIP Financing"**) under a senior secured post-petition DIP Note Purchase and Security Agreement (the **"DIP Note Agreement"**) between certain Rockport Group entities and the holders of the senior secured notes issued by the Debtors Prior to the Petition Date (the **"Prepetition Noteholders"** or the **"DIP Note Lenders"**).
53. The Debtors received the following responses/objections in respect of the motion for the Final DIP Financing Order:
  - (a) informal comments from certain of the Debtors' landlords in the U.S., namely Starwood Retail Partners, LLC, The Macerich Company and GGP Limited Partnership;
  - (b) objection from the UCC, which was filed on the US Court on a sealed basis, with a redacted version posted to the US docket; and
  - (c) objection from the Information Officer (the **"IO Objection"**), a copy of which is attached hereto as Appendix "B".
54. The Information Officer understands the informal comments from the Debtors' landlords in the U.S. and the objection from the UCC were both resolved between the parties prior to the hearing for the Final DIP Financing Order.
55. The US Court reserved on this matter and advised it would issue a decision in the coming days.

## **Official Committee of Unsecured Creditors of the Debtors**

56. Since the Initial Recognition Order was granted on May 16, 2018, the UCC has been formed in the Chapter 11 Proceedings pursuant to the Bankruptcy Code. On May 23, 2018, the US Trustee appointed the UCC consisting of the following three members:
- (a) Earth, Inc.;
  - (b) Hemisphere Design & Manufacturing LLC; and
  - (c) Simon Property Group, L.P.
57. The Information Officer understands that while each of the three members of the UCC have registered head offices in the U.S., certain may have prepetition claims against Rockport Canada, as well as certain other Debtors.

## **Upcoming Matters in the Chapter 11 Proceedings**

58. The Information Officer understands that a meeting of creditors of the Debtors has been scheduled by the US Trustee for June 21, 2018 at 11am EST in Wilmington, Delaware. A claims process or deadline for filing proofs of claim against the Debtors has not been set or approved by the US Court.
59. As noted above, the US Court has scheduled a hearing date of July 16, 2018, in respect of the Debtors motion for an order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Motion**").
60. The Information Officer will report further to the Canadian Court in respect of the Sale Motion as part the Foreign Representative's motion for an order seeking recognition of any orders granted by the US Court in connection with the Sale Motion.

## **VI. UPDATE ON CERTAIN MATTERS RELATING TO ROCKPORT CANADA**

61. Subsequent to the granting of the Supplemental Order, the Debtors have provided weekly reporting to the Information Officer with respect to the cash flows of Rockport Canada. For the three (3) weeks ended June 2, 2018, Rockport Canada had total cash receipts of approximately CAD\$3.8 million (as compared to forecast cash receipts of CAD\$3.1 million) and total cash disbursements of CAD\$1.7 million (as compared to forecast cash disbursements of \$1.7 million), for a net cash inflow of CAD\$2.1 million (as compared to forecast net cash inflow of CAD\$1.4 million) over the period.

62. As at June 2, 2018, the Information Officer understands that Rockport Canada had approximately CAD\$3.4 million of cash on hand. Based on the information provided to the Information Officer, Rockport Canada did not make any Permitted Rockport Canada Intercompany Transactions (as defined in the Final Cash Management Order) for the period from the Petition Date to June 2, 2018.

## **VII. ACTIVITIES OF THE INFORMATION OFFICER**

63. The activities of Richter or the Information Officer to date include:
- (a) coordinating the publication of a notice of the Chapter 11 Proceedings and CCAA Recognition Proceedings (the “**Notice**”) in the Globe & Mail, national edition, on May 23, 2018 and May 30, 2018, as required by the Initial Recognition Order and Section 53(b) of the CCAA. Copies of the Notice and published advertisement of the Notice are attached hereto as Appendix “C”;
  - (b) responding to creditor inquiries regarding the Chapter 11 Proceedings and CCAA Recognition Proceedings;
  - (c) communicating with the Debtors’ advisors and the Information Officer’s counsel regarding the status of matters related to the Chapter 11 Proceedings and the CCAA Recognition Proceedings;
  - (d) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the First Day Orders, the Bidding Procedures Order and the Second Day Orders;
  - (e) preparing the Pre-Filing Report and attending before the Canadian Court for the Initial Recognition Order and the Supplemental Order;
  - (f) reviewing materials provided by the Debtors in connection with the Proposed ABL Liability Allocation;
  - (g) preparing the IO Objection and attending before the US Court in connection with the Final DIP Financing Order; and
  - (h) preparing this First Report.

## **VIII. INFORMATION OFFICER’S RECOMMENDATION**

64. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Bidding Procedures Order and the Second Day Orders, and respectfully recommends that this Court grant the recognition orders sought by the Foreign Representative.

All of which is respectfully submitted on this 14<sup>th</sup> day of June, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Rockport Canada ULC *et al***  
**and not in its personal capacity**

A handwritten signature in black ink, appearing to read 'Adam Sherman', with a long horizontal flourish extending to the right.

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**Adam Sherman, MBA, CIRP, LIT**

A handwritten signature in black ink, appearing to read 'Pritesh Patel', with a long horizontal flourish extending to the right.

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**Pritesh Patel, MBA, CFA, CIRP, LIT**

## **APPENDIX C**



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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**SECOND REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 19, 2018**

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## APPENDICES

**APPENDIX “A”** – Report of the Proposed Information Officer dated May 16, 2018

**APPENDIX “B”** – First Report of the Information Officer dated June 14, 2018

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**APPENDIX “D”** – Reservation of Rights of Richter Advisory Group Inc., in its capacity as Information Officer, to the Sale Motion

**APPENDIX “E”** – Certification of Counsel Regarding Order Expediting Adversary Proceeding

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
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**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**SECOND REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 19, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and other First Day Orders. Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the **"Initial Recognition Order"**) which, among other things: (i) declared that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA; and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (**"Richter"**) as the information officer (the **"Information Officer"**) in respect of these proceedings; (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer; (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada; (iv) granted a super-priority charge over the Debtors' property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the **"Administration Charge"**); (v) granted a super-priority charge

over the Debtors' property in Canada in favour of the DIP ABL Lenders (as hereinafter defined) to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (as hereinafter defined) (the "**DIP ABL Lenders' Charge**"); and (vi) recognized and gave full force and effect in Canada to certain of the First Day Orders.

6. On June 5, 2018, the US Court granted an order (A) Approving Bidding Procedures for Sale of Substantially All of the Debtors Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the "**Bidding Procedures Order**").
7. On June 12, 2018 and June 13, 2018, the US Court entered various orders sought by the Debtors at their "second day hearings" (the "**Second Day Orders**").
8. On June 14, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to (i) the Bidding Procedures Order and (ii) the following Second Day Orders:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers' Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;
  - (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts; (II) Waiving Certain United States Trustee Requirements; (III) Authorizing Continued Performance of Intercompany Transactions; and (IV) Granting Related Relief (the "**Final Cash Management Order**");

- (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date;
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date;
  - (i) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (j) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales at their North American Retail Locations and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief (the “**Store Closing Order**”);
  - (k) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules; and
  - (l) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer and Josh Jacobs as Interim Chief Operating Officer for the Debtors *nunc pro tunc* to the Petition Date.
9. The primary purpose of the Chapter 11 Proceedings is to facilitate the Rockport Group’s entry into an asset purchase agreement dated May 13, 2018 (the “**Stalking Horse Agreement**”) to sell substantially all of the Debtors’ assets, excluding the Debtors’ North American retail assets (the “**Purchased Assets**”), to CB Marathon Opco, LLC (the “**Stalking Horse Bidder**”), an affiliate of Charlesbank Equity Fund IX, Limited Partnership (“**Charlesbank**”), or another higher or otherwise better bidder pursuant to section 363 of the Bankruptcy Code.
10. This report is the Information Officer’s second report (the “**Second Report**”) to the Canadian Court. The Information Officer’s first report (the “**First Report**”) dated June 14, 2018 was filed with the Canadian Court to provide, among other things, an update with respect to the Debtors’ Chapter 11 Proceedings, an update on matters relating to Rockport Canada, and other matters relevant to the Canadian Court’s determination of the Foreign Representative’s request for recognition of the Bidding Procedures Order and certain of the Second Day Orders. Richter, in its capacity as proposed Information Officer, also filed a report (the “**Pre-Filing Report**”) dated May 16, 2018 with the Canadian Court to provide information relating to the Rockport Group’s business and operations, their debt and capital structure, and other matters relevant to the Canadian Court’s determination of the Foreign Representative’s request for the Initial Recognition Order and Supplemental Order. Copies of the First Report and the Pre-Filing Report are attached (without appendices) hereto as Appendices “A” and “B”, respectively.

## II. PURPOSE OF REPORT

11. The purpose of this Second Report of the Information Officer is to provide the Canadian Court with information concerning:
  - (a) the motion of the Foreign Representative returnable July 20, 2018, for recognition in Canada of the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order (each as hereinafter defined);
  - (b) an update on other matters relating to the Chapter 11 Proceedings;
  - (c) an update on matters relating to Rockport Canada; and
  - (d) the activities of the Information Officer to date.

## III. TERMS OF REFERENCE

12. In preparing this Second Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided on the U.S. docket for the Chapter 11 Proceedings (collectively, the **"Information"**). In accordance with industry practice, except as otherwise described in the Second Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (**"GAAS"**) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
13. Unless otherwise stated, all monetary amounts contained herein expressed in United States dollars, which is the Debtors' common reporting currency.
14. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. As well, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by the Prime Clerk LLC, the claims and noticing agent in the Chapter 11 Proceedings, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.
15. Capitalized terms not otherwise defined herein are as defined in the application materials, including the Stalking Horse Agreement, and the affidavit of Paul Kosturos, interim Chief Financial Officer of the Debtors, sworn July 19, 2018 (the

“**July 19 Kosturos Affidavit**”) filed in support of the Foreign Representative’s motion. This Second Report should be read in conjunction with the July 19 Kosturos Affidavit, as certain information contained in the July 19 Kosturos Affidavit has not been included herein in order to avoid unnecessary duplication.

#### IV. ORDERS OF THE U.S. COURT FOR WHICH RECOGNITION IS SOUGHT

##### Final DIP Financing Order

16. Pursuant to the First Day Orders and the Supplemental Order, the Debtors received interim approval (the “**Interim DIP Financing Order**”) for the DIP Financing (as hereinafter defined), which provided the Debtors with access to:
  - (a) up to \$60 million under a DIP post-petition revolving credit facility (the “**DIP ABL Facility**”) pursuant to a senior secured superpriority DIP credit agreement (the “**DIP ABL Agreement**”) between certain of the Debtors, including Rockport Canada, and Citizens Business Capital (“**CBC**” or the “**DIP ABL Lender**”); and
  - (b) up to \$20 million in new money notes (the “**DIP Note Facility**” and together with the DIP ABL Facility, the “**DIP Financing**”) under a senior secured post-petition DIP Note Purchase and Security Agreement (the “**DIP Note Agreement**”) between certain Rockport Group entities and the holders of the senior secured notes (the “**Prepetition Notes**”) issued to the Debtors prior to the Petition Date (the “**Prepetition Noteholders**” or the “**DIP Note Lenders**”).
17. As noted in the Pre-Filing Report, the Debtors had outstanding secured debt of approximately \$57 million (\$53.4 million in principle debt and \$3.6 million reserved for letters of credit) pursuant to a revolving credit agreement, dated July 31, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the “**Prepetition ABL Facility**”) among certain of the Debtors, including Rockport Canada, and CBC, as administrative agent and collateral agent for the lenders. Rockport Canada is jointly and severally liable both as a borrower and as a guarantor of the Rockport Group’s obligations under the Prepetition ABL Facility and the ABL DIP Facility, and provided security over all of its assets to secure such obligations. However, Rockport Canada has no direct borrowing availability under the ABL DIP Facility.
18. Pursuant to the DIP Note Agreement, the DIP Note Facility permitted the Debtors to draw up to \$10 million upon entry of the Interim DIP Financing Order and the remaining \$10 million upon entry of a final order. Rockport Canada is not an obligor, and will not be entitled to receive directly any funds, under the DIP Note Facility. Further, the assets of Rockport Canada are specifically excluded from any liens and security interests granted to the DIP Note Lenders under the DIP Note Facility.
19. As a precondition to the granting of the DIP Note Facility to the Debtors, the DIP Note Lenders required an allocation of amounts outstanding under the Prepetition ABL Facility as between the US Debtors and Rockport Canada to



determine the extent to which the Canadian assets would be used to pay down a portion of the Prepetition ABL Facility purportedly to apportion the joint and several liability of the obligations under the Prepetition ABL Facility. As noted in the Pre-Filing Report, the Debtors, Prepetition Noteholders and CBC reached an agreement prior to the Petition Date that allocation of debt should be based on the net asset values set forth in the Debtors borrowing base certificate under the Prepetition ABL Facility as at April 15, 2018. Using this calculation, Rockport Canada's proposed allocable share of the obligations under the Prepetition ABL Facility would be 18.4% of the outstanding amount (the "**Proposed ABL Liability Allocation**").

20. On June 13, 2018, the US Court heard the Debtors' motion for a final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing on a Super-Priority, Senior Secured Basis and (B) Use Cash Collateral, (II) Granting (A) Liens and Super-Priority Claims and (B) Adequate Protection to Certain Prepetition Lenders, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief (the "**Proposed DIP Financing Order**"). The Proposed DIP Financing Order included the Proposed ABL Liability Allocation.
21. The Debtors received the following responses/objections in respect of the motion for the Proposed DIP Financing Order:
  - (a) informal comments from certain of the Debtors' landlords in the U.S., namely Starwood Retail Partners, LLC, The Macerich Company and GGP Limited Partnership;
  - (b) objection from the Official Committee of Unsecured Creditors of the Debtors (the "**UCC**"), which was filed with the US Court (the "**UCC Objection**") on a sealed basis, with a redacted version posted to the US docket; and
  - (c) objection from the Information Officer (the "**IO Objection**"), a copy of which is attached as an exhibit to the July 19 Kosturos Affidavit.
22. Other than the IO Objection, all comments or objections were resolved as between the parties prior to the hearing for the Proposed DIP Financing Order. At the hearing, the UCC noted it had withdrawn the UCC Objection as an agreement (the "**UCC Compromise**") had been reached with the Debtors to fund a \$2.5 million wind-down reserve (plus funds sufficient to cover budgeted expenses incurred but not paid prior to closing) (the "**Wind-Down Reserve**") to be used to pay the professional fees and other administrative costs incurred by the Debtors after the closing of the Sale Transaction to confirm a plan of liquidation for the Debtors. Upon confirmation of a plan of liquidation, any unused amount in the Wind-Down Reserve would be available for the benefit of the general unsecured creditors of the Debtors. The Proposed DIP Financing Order did not reflect or document the UCC Compromise as the agreement was reached immediately prior to the hearing.
23. As detailed in the IO Objection, the Information Officer expressed its concerns with, among other things, that the Proposed ABL Liability Allocation permitted the DIP Note Lenders to obtain indirectly what they are not entitled to

directly (i.e. first claims on the value of the Canadian assets from the hands of Canadian creditors) in that any dollar that was transferred from Rockport Canada to pay down the Prepetition ABL Facility would result in excess funds from the US Debtors being made available to pay down the subsequent ranking Prepetition Notes and the Prepetition Noteholders.

24. At the June 13 hearing, the US Court also raised certain concerns with respect to, among other things, the Proposed ABL Liability and its potential impact on the unsecured creditors of Rockport Canada, and a general concern in respect of how a decision would be viewed by the Canadian Court. As noted in the First Report, the US Court reserved judgement on the matter. On June 18, 2018, the US Court announced its decision and advised it was not willing to resolve the Proposed ABL Liability Allocation issue at that time on the basis of the summary nature of the motion and materials before the US Court and, therefore would not grant the Proposed DIP Financing Order. However, as noted in its reasons accompanying the decision, the US Court indicated that it would enter the Proposed DIP Financing Order, subject to certain revisions being made to remove the Proposed ABL Liability Allocation and address the UCC Compromise.
25. Since June 18, 2018, discussions have been ongoing among the Debtors, the DIP Note Lenders, the DIP ABL Agent, the UCC and other stakeholders, including the Information Officer, with respect to revisions to the Proposed DIP Financing Order. As a result of these discussions, the Debtors revised the Proposed DIP Financing Order (the **"Final DIP Financing Order"**) and, on June 29, 2018, the US Court entered the Final DIP Financing Order, a copy of which is attached as an exhibit to the July 19 Kosturos Affidavit.
26. The Final DIP Financing Order incorporates certain key negotiated changes to the Proposed DIP Financing Order, as follows:
  - (a) the Wind-Down Reserve pursuant to the UCC Compromise, as set forth in the supplement to the Final DIP Financing Order, and as further described in the July 19 Kosturos Affidavit. While the UCC Agreement provided for a resolution and withdrawal of the UCC Objection, it does not limit the potential recovery of creditors of Rockport Canada should further assets be available to the creditors pending the conclusion of the Stalking Horse Agreement, the Store Closing Sales (as liquidation sales and other monetization of Rockport Canada assets;
  - (b) any further advances by the DIP Note Lenders is conditional upon the resolution of the Proposed ABL Liability Allocation (the **"Agreed ABL Liability Allocation"**); and
  - (c) a reservation of rights (at paragraph 52) negotiated by and with the Information Officer, on behalf of the unsecured creditors of Rockport Canada, such that the Final DIP Financing Order shall be without prejudice to the allocation of proceeds from Sale Transaction among the Debtors, the allocation of costs of the Chapter 11 Proceedings among the Debtors, and the treatment of any claims against Rockport Canada.

27. Upon entry of the Final DIP Financing Order:
- (a) the Debtors are authorized to use the proceeds of the next advance under the DIP ABL Facility to roll-up any amounts outstanding under the Prepetition ABL Facility to satisfy, in full, all outstanding obligations of the Debtors under the Prepetition ABL Facility; and
  - (b) the DIP Note Agreement permits the DIP Note Lenders to roll-up a total of \$20 million of Prepetition Notes in connection with the \$10 million advanced under the DIP Note Facility subsequent to the granting of the Interim DIP Financing Order.
28. The Foreign Representative seeks recognition of the Final DIP Financing Order from the Canadian Court to ensure the DIP Financing remains available, and that the Debtors can continue to meet their obligations and continue their efforts to facilitate the Sale Transaction and the Debtors' restructuring.

#### **Houlihan Retention Order**

29. On June 13, 2018, the US Court heard the Debtors motion for an Order Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. ("**Houlihan Lokey**") as Financial Advisor and Investment Banker to the Debtors, *nunc pro tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the "**Houlihan Retention Order**").
30. The Houlihan Retention Order authorized the Debtors to retain the services of Houlihan Lokey to act as financial advisor and investment banker to the Debtors in connection with the postpetition sales process. Houlihan Lokey has been advising the Debtors since December 2017, and during this time, Houlihan Lokey has developed a background and experience regarding the Debtors and their current situation.
31. Pursuant to the terms of an engagement letter between Houlihan Lokey and the Debtors, dated December 11, 2017, Houlihan Lokey would be compensated based on a monthly advisory fee of \$125,000 plus an additional fee that is contingent upon the occurrence of a specified type of transaction, such as but not limited to: (i) a "sale transaction fee" of \$1.7 million plus a percentage of incremental bands of transaction value greater than \$150 million; or (ii) a "restructuring transaction fee" of \$1.5 million for either an in-court or out-of-court restructuring.
32. Prior to the Petition Date, Houlihan Lokey was paid a monthly advisory fee of \$125,000 for each month between December 2017 and April 2018.
33. Prior to the objection deadline, the Debtors received certain informal comments from the Office of the United States Trustee for the District of Delaware (the "**US Trustee**"), as well as a limited objection from the UCC on the basis that the "sale transaction fee" must not include the value of any assets not transferred or assumed by the Stalking Horse

Bidder (or higher or otherwise better offer). The Information Officer understands the Debtors resolved the objection with the UCC prior to the hearing. At the hearing, the US Court indicated that it would enter the proposed order, subject to certain revisions to resolve the comments from the US Trustee.

34. The Debtors revised the original form of order and, on July 5, 2018, the US Court entered the Houlihan Retention Order, a copy of which is attached as an exhibit to the July 19 Kosturos Affidavit.
35. In the Debtors' view, the recognition of the Houlihan Retention Order in Canada is appropriate, as Houlihan has been working with the Debtors in connection with the Debtors' restructuring and marketing efforts, and has been providing services to all Debtors in connection with their role, all of which would potentially affect Rockport Canada and Canadian creditors. The Information Officer notes that pursuant to paragraph 52 of the Final DIP Financing Order, all parties have reserved their rights in respect of the allocation of costs of the Chapter 11 Proceedings among the Debtors and Rockport Canada.

### **Sale Order**

36. As detailed in the Pre-Filing Report, Houlihan Lokey commenced a robust marketing process prior to the Petition Date for the sale of all, or certain of the Debtors' assets and contacted 110 potential strategic and financial acquirers regarding the opportunity. This marketing process culminated in the Stalking Horse Agreement pursuant to which the Stalking Horse Bidder would acquire the Purchased Assets (subject to higher or otherwise better offers) for a purchase price of (i) \$150,000,000 in cash subject to certain working capital adjustments; (ii) a warrant to purchase up to 5% of the common equity of the Purchaser, at an exercise price equal to 2.5 times the price of the equity invested by the Equity Commitment Party in Parent Holdco as of the Closing Date (as defined in the Stalking Horse Agreement); and (iii) the assumption of certain liabilities.
37. The Bidding Procedures Order, which was granted by the US Court on June 5, 2018 and recognized by the Canadian Court on June 14, 2018, sought to establish rules for potential interested parties to bid on the Purchased Assets and to participate in an auction, should any bidders, in addition to Stalking Horse Bidder, submit a "Qualified Bid". Pursuant to the Bidding Procedures Order, the Debtors' established a bid deadline of June 29, 2018 (the "**Bid Deadline**") and scheduled an auction date of July 10, 2018.
38. The Bidding Procedures Order also established procedures for notice and to determine cure amounts for contracts and leases to be assumed and assigned in connection with any sale transaction (the "**Assignment and Assumption Procedures**"). In accordance with the Bidding Procedures Order, the Debtors filed with the US Court a Potential Assumption and Assignment Notice and Contracts List, including supplements thereto (the "**Potential Assignment Notices**"), identifying the contracts and leases that may be assumed and assigned in connection with the Sale Transaction, and the cure cost with respect to each listed contract and lease.

39. In accordance with the Assignment and Assumption Procedures, the Debtors may, up until two days before the closing of the Sale Transaction, add or remove a contract or lease listed on the Potential Assignment Notices, provided that if a contract or lease is added or a cure cost amount modified, additional notice would be provided to the applicable counterparty to enable that counterparty to object.
40. The Assignment and Assumption Procedures are similar to those typically undertaken in Canadian proceedings. All contractual counterparties were provided with adequate notice of the potential assignment and the suggested cure cost amount, and had an opportunity to object to the same. As at July 3, 2018, there are approximately 12 Canadian non-lease contracts listed on the Potential Assignment Notices. Confirmation of whether or not these agreements will be assigned will be provided by the Purchaser (as defined hereinafter) approximately 2 days prior to the closing of the Sale Transaction.
41. Since the Petition Date, the Debtors and their advisors engaged in the following activities relating to the sale process in respect of the Debtors' assets:
- (a) on May 14, 2018, the motion for the Bidding Procedures Order was served on the 110 strategic and financial acquirers Houlihan Lokey initially contacted regarding the potential sale of the Debtors' assets;
  - (b) Houlihan Lokey received interest regarding the Debtors' assets from 14 potential buyers. This group is composed of 6 potential financial buyers and 8 potential strategic buyers; and
  - (c) of these 14 potential buyers, 10 had expressed interest in the Debtors' assets during the prepetition marketing process. In addition, of these 14 potential buyers, 9 accessed the data room and 4 submitted question lists and/or other inquiries to Houlihan Lokey.
42. The Information Officer understands that the Debtors did not receive any "Qualified Bids" for the Debtors' Assets by the Bid Deadline (other than the Qualified Bid of the Stalking Horse Bidder) and, on July 6, 2018, the Debtors' filed notice of (I) Cancellation of the Auction and (II) Designation of the Stalking Horse Bidder as the "Successful Bidder" (hereinafter referred to as the "**Purchaser**"). The notice also designated the Stalking Horse Agreement as the "Successful Bid" (hereinafter referred to as the "**Asset Purchase Agreement**").
43. On July 11, 2018, the Purchaser filed the Declaration of Joshua Klevens, a Managing Director of Charlesbank, in Support of Findings of Good Faith and Adequate Assurance of Future Performance (the "**Klevens Affidavit**"). The Klevens Affidavit sets out the financial wherewithal, willingness and ability of the Purchaser to perform under the Purchased Contracts assigned to it pursuant to the Asset Purchase Agreement. A copy of the Klevens Affidavit is attached hereto as Appendix "C".
44. As noted in the Pre-Filing Report and the First Report, the Stalking Horse Agreement provided for a period of 25 days following the Petition Date by which time the Purchaser was to elect to acquire any of the Debtor's North American

retail locations. The Purchaser elected not to do so and, as such, the Debtors' North American retail assets, which include inventory located at the retail locations, retail leases and furniture, fixtures and equipment, are excluded from the Asset Purchase Agreement.

45. Pursuant to the Store Closing Order and the US Sales Guidelines (or Canadian Landlord Agreement, as applicable), the Debtors commenced liquidation sales (the "**Store Closing Sales**") at all 60 retail locations in North America (the "**Closing Stores**"), including the 33 located in Canada, on or about June 15, 2018. The Information Officer understands that the Debtors anticipate concluding the Store Closing Sales at the Closing Stores on or before July 31, 2018, with all retail inventory being sold or removed from the Closing Stores prior to that date. Further, consistent with the completion of the Store Closing Sales, the Debtors will seek authority to reject the underlying leases for each of the Closing Stores effective July 31, 2018 (or such later date as the Debtors unequivocally surrender possession of the Closing Store to the respective landlord) pursuant to the upcoming Lease Rejection Motion (as defined hereinafter), as described later in this Second Report. The Information Officer is not aware of any significant issues that have arisen during the course of the Store Closing Sales involving the Canadian retail locations.
46. On July 16, 2018, the US Court heard the Debtors' motion for entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors' Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors' Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief; and (II)(A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Motion**").
47. The Debtors received the following responses/objections in respect of the Sale Motion:
  - (a) objections/reservation of rights by certain counterparties to contracts or leases included on the Potential Assignment Notices (collectively, the "**Counterparty Objections**"), certain of which were moot, as the underlying contracts or leases are not being assumed and assigned to the Purchaser;
  - (b) limited objection by Expeditors International of Washington, Inc. ("**Expeditors**") to Debtors' Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Costs;
  - (c) objection filed by adidas AG and its subsidiary Reebok International Ltd. (the "**Adidas Objection**");
  - (d) objection filed by the Local Texas Tax Authorities regarding ad valorem taxes totalling for \$7,500 owed on the Debtors' personal property for the 2018 tax year; and
  - (e) a reservation of rights filed by the Information Officer (the "**IO Reservation of Rights**"), a copy of which is attached hereto as Appendix "D".

48. The Debtors and the Purchaser decided to adjourn the hearing on the Expeditors' objection to a subsequent hearing (consistent with the discretion granted to such parties under the Bid Procedures Order). The Information Officer understands that there has been an agreement reached on the Expeditors' agreement being assumed and assigned to the Purchaser, but not in respect of the disputed cure costs under the contract. The Expeditors' asserted cure amounts are disputed by the Debtors and involve complex issues that will need to be set for a separate evidentiary hearing. At the hearing, Expeditors and the Debtors agreed to put the disputed cure amount of approximately \$900,000 into a segregated escrow account for the benefit of Expeditors should it be correct in its assertion on the cure dispute.
49. The Information Officer understands the Debtors resolved the objection filed by the Local Texas Tax Authorities prior to the hearing by agreeing to escrow \$7,500 relating to the Local Texas Tax Authorities asserted claim.
50. The Information Officer did not object generally to the relief requested in the Sale Motion. However, the Information Officer filed the IO Reservation of Rights seeking clarification and reconciliation of the terms contained in proposed order (the "**Proposed Sale Order**") approving the Sale Motion in order to reflect the agreed upon reservation of rights language contained in paragraph 52 of the Final DIP Financing Order.
51. The Adidas Objection with respect to the Sale Order (as defined hereinafter) was resolved at the hearing. The alleged liabilities of any Acquired Company will be determined in the Adversary Proceeding (as defined hereinafter), as outlined in further detail below.
52. The US Court granted the relief sought by the Debtors in the Sale Motion which contemplated, *inter alia*, the following:
  - (a) authorizing and approving the sale (the "**Sale Transaction**") of the Purchased Assets to the Purchaser pursuant to the Asset Purchase Agreement, free and clear of all liens, claims, interests and encumbrances, except certain permitted encumbrances as determined by the Debtors and the Purchaser; and
  - (b) authorizing the assumption and assignment of the Contracts and Leases in connection with the Sale Transaction.
53. At the hearing, the Debtors noted they would revise the Proposed Sale Order to address the issues discussed at the hearing, and file a final form of order with the US Court as soon as possible. Since July 16, 2018, discussions have been ongoing among the Debtors, the DIP Note Lenders, the DIP ABL Agent, and other stakeholders, including the Information Officer, with respect to revisions to the Proposed Sale Order.
54. On July 18, 2018, the US Court entered an Order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory

Contracts and Unexpired Leases and (C) Granting Related Relief (the “**Sale Order**”). The Sale Order is attached as an exhibit to the July 19 Kosturos Affidavit.

55. As detailed in the July 19 Kosturos Affidavit, the Sale Order, in addition to approving the Sale Transaction, provides for certain distributions (the “**Proposed Distributions**”) to be made to the DIP ABL Agent and the DIP Note Lenders upon closing of the Sale Transaction. The Information Officer notes that the quantum of the Proposed Distributions will need to be finalized immediately prior to the closing of the Sale Transaction, and remains subject to the reservation of rights negotiated by and with the Information Officer with respect to the allocation of debt, proceeds and costs, pursuant to paragraphs 28 and 29 of the Sale Order, as set out below:

**Application of Sale Proceeds.**

28. All sale proceeds shall be promptly paid at closing on any such sale to (x) in the case of proceeds of ABL Priority Collateral, to the DIP ABL Agent for application to the DIP ABL Obligations and (y) in the case of proceeds of Secured Notes Priority Collateral, the DIP Note Purchasers for application in accordance with the DIP Note Purchase Agreement; provided, however, that the sale proceeds shall first be used to pay the Break-Up Fee and Expense Reimbursement to the extent that such amounts have been triggered and are required to be paid pursuant to the terms of the Bidding Procedures Order. Notwithstanding anything to the contrary herein, the payment or distribution of the sale proceeds to the DIP ABL Agent for application to the DIP ABL Obligations shall be deemed to have been made in accordance with the Agreed ABL Liability Allocation, as contemplated under Paragraphs 39 and 52 of the *Final Order (I) Authorizing the Debtors (A) to Obtain Postpetition Financing on a Super-Priority, Senior Secured Basis and (B) Use Cash Collateral, (II) Granting (A) Liens and Super-Priority Claims and (B) Adequate Protection to Certain Prepetition Lenders, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 320] (the “**Final DIP Order**”), and shall be without prejudice to the rights of the Secured Note Parties, the DIP Note Parties, the Information Officer and the Committee under the Final DIP Order. For greater certainty, the balance of the sales proceeds shall be held pending further order of this Court, including in respect of the final allocation of proceeds and costs in respect of Rockport Canada ULC (“**Rockport Canada**”).
29. For greater certainty, any initial payments or distributions paid from the sales proceeds shall remain subject to final reconciliation based on entry of a final order by this Court or agreement by the parties with respect to the allocation of debt, proceeds, and costs with respect to Rockport Canada; provided, however, that any further reconciliation with regards to payments or distributions made to the DIP ABL Agent for application to the DIP ABL Obligations shall be limited to a determination of an appropriate allocation of debt, proceeds and costs as between Rockport and Rockport Canada and shall not in any way affect or unwind the payment of sale proceeds to the DIP ABL Agent. Notwithstanding anything to the contrary herein, the reservation of rights found in Paragraph 52 of the Final DIP Order, entered on June 29, 2018, remains in full force and effect. For greater certainty, the balance of the sales proceeds shall be held pending further order of this Court, including in respect of the final allocation of proceeds and costs with respect of Rockport Canada.
56. The Foreign Representative seeks recognition of the Sale Order to assist with implementing a key aspect of the Debtors’ restructuring proceedings. Accordingly, in an effort to recognize the coordination of these proceedings in the U.S. and Canada, it is appropriate and necessary to recognize the Sale Order.



## Intercompany Payment Order

57. During the week of July 9, 2018, the Debtors advised the Information Officer of certain liquidity issues the Debtors were going to experience in the coming days. The liquidity issues had arisen due to (i) additional reserves being taken by the DIP ABL Lenders and (ii) a contraction in the Debtors' collateral base due to the conversion of Rockport Canada's inventory into cash in Canada, which was not recognized by the DIP ABL Lenders as part of the Debtors' borrowing base calculations.
58. Pursuant to the Final Cash Management Order, cash generated by Rockport Canada was to be ring-fenced in Canada and not transferred to the US Debtors on account of any prepetition intercompany transaction other than for Permitted Rockport Canada Intercompany Transactions (as defined in the Final Cash Management Order), unless otherwise ordered by the US Court.
59. As a result of the above noted factors, the Debtors' availability under the DIP ABL Facility was decreasing and would continue to decrease, providing the Debtors with little to no liquidity to meet ongoing obligations of the US Debtors including, payroll, rent, operating expenses, etc.
60. On or about July 14, 2018, the Debtors and its advisors engaged with the Information Officer to commence discussions with respect to modifying the ring-fencing provisions of the Final Cash Management Order in order to allow the US Debtors to transfer excess cash that had accumulated in Canada to assist with funding the ongoing liquidity needs of the US Debtors. On July 16, 2018, the Debtors advised the US Court of the liquidity constraints and the ongoing discussions among the stakeholders with respect to a solution to address this issue. The Debtors advised the US Court that it would be seeking a stipulation (the "**Intercompany Transfer Stipulation**") modifying the Final Cash Management Order to permit intercompany transfers between Rockport Canada and The Rockport Company, LLC.
61. The Information Officer was advised that the Debtors were facing a liquidity crisis and no further financing would be made available unless and until the majority of the ring-fenced funds held by Rockport Canada were released and made available to pay down the DIP ABL Facility. The Information Officer was further advised that the timelines and conditions to the DIP Financing and Asset Purchase Agreement could be in jeopardy if the Sale Order and Intercompany Payment Transfer (as defined hereinafter) were not entered on or before July 18, 2018. To avoid the situation as described by the Debtors and DIP Note Lenders, the Information Officer agreed to the Intercompany Transfer Stipulation.
62. The key terms of the Intercompany Transfer Stipulation, as more fully described in the July 19 Kosturos Affidavit, are follows:

- (a) Rockport Canada shall transfer \$4.5 million (the “**Initial Intercompany Transfer**”) to The Rockport Company, LLC for the purpose of repaying the Debtors’ obligations under the DIP ABL Facility;
  - (b) the Initial Intercompany Transfer, and any subsequent transfers agreed to among the parties and made in accordance with the Intercompany Transfer Stipulation (collectively “**Intercompany Transfers**”), shall be accorded superpriority administrative expense priority under Section 507(b) of the Bankruptcy Code;
  - (c) effective upon the Initial Intercompany Transfer, the DIP Note Lenders agree to waive the Agreed ABL Liability Allocation condition precedent prior to any further advances under the DIP Note Facility, which would then permit the second tranche of the DIP Note Facility (\$10 million) to be available to the Debtors (subject to the satisfaction of the remaining terms of the DIP Note Facility);
  - (d) should Rockport Canada experience a shortfall in funding to meet its ongoing obligations as a result of the Intercompany Transfers, The Rockport Company, LLC Rockport shall refund such portion of the Rockport Canada Intercompany Transfers as required for Rockport Canada to satisfy its operational and Chapter 11 expenses; and
  - (e) the reservation of rights language in paragraph 52 of the Final DIP Financing Order, paragraphs 28 and 29 of the Sale Order, remains in full force and effect, and the Intercompany Transfers shall have no effect on, or in any way prejudice the allocation of debt, proceeds and costs among the Debtors and Rockport Canada.
63. On July 18, 2018, the US Court entered an order approving the Intercompany Transfer Stipulation (the “**Intercompany Payment Order**”), a copy of which is attached as an exhibit to the July 19 Kosturos Affidavit.
64. The Foreign Representative seeks recognition of the Intercompany Payment Order in an effort to coordinate these proceedings in the U.S. and Canada.
65. The Information Officer notes that while the Agreed ABL Liability Allocation condition precedent relating to any further advances under the DIP Note Facility has been waived, the overall allocation of debt, proceeds and Chapter 11 costs in respect of Rockport Canada remain to be resolved or determined. The Information Officer has been discussing a potential resolution of the overall allocation issues with the Debtors, the DIP Note Lenders and DIP ABL Lender. However, should a resolution not be arrived at, the parties will need to address the manner in which the final allocation of these issues are to be determined.

## V. UPDATE ON CERTAIN OTHER MATTERS IN THE CHAPTER 11 PROCEEDINGS

### Adidas Objection

66. As noted above, on June 28, 2018, Adidas and Reebok filed the Adidas Objection in connection with the Sale Motion. Adidas and Reebok sold the Rockport business to Relay Intermediate, LLC (now known as The Rockport Group, LLC) in 2015 (the “**2015 Transaction**”).
67. On July 10, 2018, the Debtors filed an emergency complaint (in the “**Debtors’ Complaint**”) for declaratory judgement against Adidas and Reebok (the “**Adversary Proceeding**”). Contemporaneously with the complaint, the Debtors filed a motion to expedite the Adversary Proceeding.
68. The Information Officer understands the dispute among the parties relates to which Debtor entities, if any, are liable to Adidas and Reebok pursuant to certain agreements entered into among the parties in connection with the 2015 Transaction. As noted in the Debtors’ Complaint, Adidas and Reebok contend all of the Debtors are "jointly and severally" liable for all amounts owed, which they assert is no less than \$54 million.
69. Adidas and Reebok objected to the motion to expedite the Adversary Proceeding and, on July 11, 2018 and July 16, 2018, the US Court held hearings to consider the parties’ arguments related thereto. Following the July 16, 2018 hearing, the parties conferred and reached agreement on the terms of an Order Expediting Adversary Proceeding, which was filed on the US docket under certification of counsel. The Order Expediting Adversary Proceeding sets out the schedule for discovery and establishes trial dates with the US Court for August 8 and August 9, 2018. A copy of the Order Expediting Adversary Proceeding is attached hereto as Appendix “E”.
70. As a result of the Adidas Objection, the Purchaser issued a prospective notice of breach of the Asset Purchase Agreement, which prompted the Debtors to file the Adversary Proceeding, as the issues raised by Adidas and Reebok jeopardizes the Debtors' pending Sale Transaction, and the significant value that has been created for parties with an interest in this restructuring.
71. The Information Officer has sought to be updated by the Debtors in respect of the Adversary Proceeding and will report further to the Canadian Court in respect of the Adversary Proceeding, and the potential impact on the creditors of Rockport Canada, if any, as information becomes available.
72. The Asset Purchase Agreement provides that the Sale Transaction must be closed on or before August 13, 2018.

## Upcoming Matters in the Chapter 11 Proceedings

73. The US Court has scheduled a hearing date of July 26, 2018 in respect of the following:
- (a) Omnibus Motion of Debtors for Entry of Order (I) Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property, (II) Authorizing Abandonment of Certain Property in Connection Therewith and (II) Granting Related Relief (the “**Lease Rejection Motion**”);
  - (b) Motion of Debtors for Entry of an Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof (the “**Bar Date Motion**”); and
  - (c) Motion of Debtors for Entry of an Order Approving Stipulations with (I) IC SPG at Edmonton LP, and (II) 90287939 Quebec Inc. cob as DAMA Construction, Regarding Lease of Non-Residential Real Property Located at Edmonton International Airport, Unit 438 (the “**Edmonton Lease Stipulation**”).
74. The Information Officer will report further to the Canadian Court in respect of the Lease Rejection Motion, the Bar Date Motion and the Edmonton Lease Stipulation as part the Foreign Representative’s motion for an order seeking recognition of any orders granted by the US Court in connection therewith.

## VI. UPDATE ON CERTAIN MATTERS RELATING TO ROCKPORT CANADA

75. Subsequent to the granting of the Supplemental Order, the Debtors have provided weekly reporting to the Information Officer with respect to the cash flows of Rockport Canada. For the eight (8) weeks ended July 7, 2018, Rockport Canada had total cash receipts of approximately CAD\$14.5 million (as compared to forecast cash receipts of CAD\$10.3 million) and total cash disbursements of CAD\$6.1 million (as compared to forecast cash disbursements of \$6.8 million), for a net cash inflow of CAD\$8.4 million (as compared to forecast net cash inflow of CAD\$3.6 million) over the period. Based on the Information provided to the Information Officer, Rockport Canada had made approximately CAD\$2.5 million in Permitted Rockport Canada Intercompany Transactions (as defined in the Final Cash Management Order) over the eight week period ending July 7, 2018.
76. As at July 13, 2018, the Information Officer understands that Rockport Canada had approximately CAD\$8.2 million of cash on hand. The Information Officer notes that the CAD\$8.2 million cash balance does not take into account the Initial Intercompany Transfer (\$4.5 million, or approximately CAD\$5.8 million), which will significantly reduce this balance. However based on the Information received and reviewed to date, the Information Officer understands Rockport Canada will continue to have sufficient liquidity to meet its ongoing obligations up to the closing of the Sale Transaction.

## **VII. ACTIVITIES OF THE INFORMATION OFFICER**

77. The activities of Richter or the Information Officer since the First Report include:

- (a) responding to creditor inquiries regarding the Chapter 11 Proceedings and CCAA Recognition Proceedings;
- (b) communicating with the Debtors' advisors and the Information Officer's counsel regarding the status of matters related to the Chapter 11 Proceedings and the CCAA proceedings;
- (c) communicating with Canada Revenue Agency in connection with the sales tax accounts for Rockport Canada;
- (d) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Houlihan Retention Order, the Final DIP Financing Order and the Sale Order;
- (e) attending before the Canadian Court in connection with recognition of the Bidding Procedures Order and certain of the Second Day Orders;
- (f) reviewing materials provided by the Debtors in connection with the Proposed ABL Liability Allocation, including preparing and presenting resolutions to the Debtors and the DIP Note Lenders in connection with same;
- (g) reviewing materials provided by the Debtors in connection with the Intercompany Transfer Stipulation;
- (h) preparing the IO Reservation of Rights; and
- (i) preparing this Second Report.

## **VIII. INFORMATION OFFICER'S RECOMMENDATION**

78. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Houlihan Retention Order, the Final DIP Financing Order, the Sale Order and the Intercompany Payment Order, and respectfully recommends that this Court grant the recognition orders sought by the Foreign Representative.

All of which is respectfully submitted on this 19<sup>th</sup> day of July, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Rockport Canada ULC *et al***  
**and not in its personal capacity**

A handwritten signature in black ink, appearing to read 'Adam Sherman', written in a cursive style.

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**Adam Sherman, MBA, CIRP, LIT**

A handwritten signature in black ink, appearing to read 'Pritesh Patel', written in a cursive style.

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**Pritesh Patel, MBA, CFA, CIRP, LIT**

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

Court File No. CV-18-597987-00CL

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC

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

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

Proceeding commenced at Toronto

**SECOND REPORT OF THE INFORMATION  
OFFICER, JULY 19, 2018**

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## **APPENDIX D**



Court File No. CV-18-597987-00CL

**ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC**

**THIRD REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 27, 2018**

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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**THIRD REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 27, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and other First Day Orders. Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the **"Initial Recognition Order"**), which, among other things: (i) declared that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA; and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (**"Richter"**) as the information officer (the **"Information Officer"**) in respect of these proceedings; (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer; (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada; (iv) granted a super-priority charge over the Debtors' property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the **"Administration Charge"**); (v) granted a super-priority charge

over the Debtors' property in Canada in favour of the DIP ABL Lenders (as hereinafter defined) to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (as hereinafter defined) (the "**DIP ABL Lenders' Charge**"); and (vi) recognized and gave full force and effect in Canada to certain of the First Day Orders.

6. On June 5, 2018, the US Court granted an order (A) Approving Bidding Procedures for Sale of Substantially All of the Debtors Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the "**Bidding Procedures Order**").
7. On June 12, 2018 and June 13, 2018, the US Court entered various orders sought by the Debtors at their "second day hearings" (the "**Second Day Orders**").
8. On June 14, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to (i) the Bidding Procedures Order and (ii) the following Second Day Orders:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers' Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;
  - (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts; (II) Waiving Certain United States Trustee Requirements; (III) Authorizing Continued Performance of Intercompany Transactions; and (IV) Granting Related Relief (the "**Final Cash Management Order**");

- (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date;
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date;
  - (i) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (j) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales at their North American Retail Locations and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief (the “**Store Closing Order**”);
  - (k) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules; and
  - (l) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer and Josh Jacobs as Interim Chief Operating Officer for the Debtors *nunc pro tunc* to the Petition Date.
9. On June 29, 2018, the US Court granted a Final Order (I) Authorizing The Debtors To (A) Obtain Postpetition Financing On A Super-Priority, Senior Secured Basis And (B) Use Cash Collateral, (II) Granting (A) Liens And Super-Priority Claims And (B) Adequate Protection To Certain Prepetition Lenders, (III) Modifying The Automatic Stay, and (IV) Granting Related Relief (the “**Final DIP Financing Order**”).
  10. On July 5, 2018, the US Court granted an Order Pursuant to Sections 327(A) and 328(A) of the Bankruptcy Code (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors, *Nunc Pro Tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the “**Houlihan Retention Order**”).
  11. On July 16, 2018, the US Court heard the Debtors motion for an order authorizing and approving the sale (the “**Sale Transaction**”) of substantially all of the Debtors’ assets, excluding the Debtors’ North American retail assets (the “**Purchased Assets**”), to CB Marathon Opco, LLC (the “**Purchaser**”), an affiliate of Charlesbank Equity Fund IX, Limited Partnership (“**Charlesbank**”), free and clear of all liens, claims, interests and encumbrances (except certain permitted encumbrances as determined by the Debtors and the Purchaser), and authorizing the assumption and assignment of the certain contracts and leases in connection with the Sale Transaction.
  12. On July 18, 2018, the US Court entered the following orders sought by the Debtors:

- (a) an Order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Order**"); and
- (b) an Order Approving Stipulation Modifying Final Cash Management Order to Permit Intercompany Transfers Between Rockport Canada ULC and The Rockport Company, LLC Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers (the "**Intercompany Payment Order**").

13. On July 20, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order.

## II. PURPOSE OF REPORT

14. The purpose of this third report of the Information Officer (the "**Third Report**") is to provide the Canadian Court with information concerning:
- (a) the motion of the Foreign Representative returnable July 30, 2018, for recognition in Canada of the Lease Rejection Order, the Claims Bar Date Order and the Edmonton Real Property Stipulations Order (each as hereinafter defined);
  - (b) an update on the Adversary Proceeding (as defined hereinafter);
  - (c) an update on matters relating to Rockport Canada; and
  - (d) the activities of the Information Officer to date.

## III. TERMS OF REFERENCE

15. In preparing this Third Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided on the U.S. docket for the Chapter 11 Proceedings (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Third Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

16. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars, which is the Debtors' common reporting currency.
17. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. Additionally, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Prime Clerk LLC, the claims and noticing agent (the "**Claims Agent**") in the Chapter 11 Proceedings, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.
18. Capitalized terms not otherwise defined herein are as defined in the application materials, including the affidavit of Paul Kosturos, interim Chief Financial Officer of the Debtors, sworn July 26, 2018 (the "**July 26 Kosturos Affidavit**") filed in support of the Foreign Representative's motion. This Third Report should be read in conjunction with the July 26 Kosturos Affidavit, as certain information contained in the July 26 Kosturos Affidavit has not been included herein in order to avoid unnecessary duplication.

#### **IV. ORDERS OF THE U.S. COURT FOR WHICH RECOGNITION IS SOUGHT**

19. On July 24, 2018, the US Court entered the following orders without a hearing, as all informal comments received by the Debtors were resolved prior to the scheduled hearing date to the satisfaction of the interested parties:
  - (a) an Order (I) Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property, (II) Authorizing Abandonment of Certain Property in Connection Therewith and (II) Granting Related Relief (the "**Lease Rejection Order**");
  - (b) an Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof (the "**Claims Bar Date Order**"); and
  - (c) an Order Approving Stipulations with (I) IC SPG POC at Edmonton LP ("**Ivanhoe**"), and (II) 90287939 Quebec Inc. cob as DAMA Construction ("**Dama**"), Regarding Lease of Non-Residential Real Property Located at Edmonton International Airport, Unit 438 (the "**Edmonton Real Property Stipulations Order**").
20. The Lease Rejection Order, the Claims Bar Date Order and the Edmonton Real Property Stipulations Order, each of which are attached as an exhibit to the July 26 Kosturos Affidavit, are addressed further below.



## Lease Rejection Order

21. On May 15, 2018, the Debtors filed a motion (the **"Store Closing Motion"**) with the US Court seeking authority to conduct store closing sales (the **"Store Closing Sales"**) at each of the Debtors' North American retail locations (the **"Closing Stores"**, and each a **"Closing Store"**), with the goal of completing the Store Closing Sales and vacating the Closing Stores by July 31, 2018. The Information Officer understands a copy of the Store Closing Motion was served on each of the landlords for the Closing Stores, including those in Canada.
22. On June 13, 2018, the US Court entered the Store Closing Order and authorized the implementation of the Store Closing Sales, which order was recognized by the Canadian Court on June 14, 2018. The Store Closing Order also authorized the Debtors, including Rockport Canada, to enter into agreements with any landlord modifying the US Sale Guidelines with respect to a specific Closing Store. Rockport Canada entered into an agreement, after discussions with counsel for various Canadian landlords, with respect to the conduct of the Store Closing Sales in Canada (the **"Canadian Landlord Agreement"**), which agreement is for the benefit of all landlords for the Closing Stores in Canada. A copy of the form of Canadian Landlord Agreement was previously filed as exhibit Q to the affidavit of Paul Kosturos sworn June 13, 2018.
23. On or about June 15, 2018, the Debtors commenced the Store Closing Sales at the Closing Stores pursuant to the Store Closing Order and the US Sales Guidelines (or Canadian Landlord Agreement, as applicable). The Information Officer understands the Debtors anticipate concluding the Stores Closing Sales at all of the Closing Stores on or before July 31, 2018, with all retail inventory being sold or removed from the Closing Stores prior to that date.
24. On July 5, 2018, the Debtors filed an omnibus motion (the **"Lease Rejection Motion"**) with the US Court seeking authority to reject the underlying leases and any subleases (the **"Leases"**) for each of the Closing Stores effective as of the later of (i) July 31, 2018 or (ii) the date that the Debtors unequivocally surrender possession of the leased premises to the applicable Lease counterparty (the **"Rejection Date"**). The Information Officer understands that the Debtors would be liable for payment of August rent for any Closing Store not vacated and surrendered to the applicable landlord by July 31, 2018. The Information Officer understands a copy of the Lease Rejection Motion was served on landlords for the Closing Stores, including those in Canada.
25. The Debtors also seek authority to abandon certain surplus or burdensome assets (collectively, the **"Surplus Assets"**) remaining at the Closing Stores upon conclusion of the Store Closing Sales. The Information Officer understands the Surplus Assets will primarily consist of miscellaneous furniture, fixtures or equipment, advertising displays, and other store equipment that is of inconsequential value or benefit to the Debtors' estate or would be cost prohibitive to remove. Any landlord or other designee will be free to dispose of the Surplus Assets after the Rejection Date or after

completion of the applicable Closing Store closures without notice or liability to any party. The Information Officer notes that the abandonment of the Surplus Assets is common in other similar retail liquidations in Canada.

26. Prior to the objection deadline of July 19, 2018, the Information Officer understands the Debtors received informal comments from certain of the Debtors' landlords in the U.S., all of which were resolved prior to the entry of the Lease Rejection Order.
27. As there are 33 retail stores in Canada, the Foreign Representative seeks recognition of the Lease Rejection Order in order to ensure consistency in the treatment of landlords in both Canada and the U.S. The Information Officer notes that while the disclaimer process in the U.S. differs from the process in Canada, the Debtors have provided notice of the intended disclaimers as of July 31, 2018 since the commencement of the Chapter 11 Proceedings, and will pay rent through to the Rejection Date. As such, the Canadian landlords are placed in a similar position as they would have been had the disclaimers been implemented through any other insolvency proceeding in Canada.

#### **Claims Bar Date Order**

28. On June 18, 2018, the Debtors filed their schedules of liabilities and statements of financial affairs with the US Court, as amended on June 29, 2018 (collectively, the "**Schedules**").
29. The Debtors requested that the US Court establish a general bar date (the "**General Bar Date**") to be designated by the Debtors, which shall be no earlier than the first business day that is at least thirty (30) days after the date of service (the "**Service Date**") of the notice (the "**Bar Date Notice**") of the Bar Dates (as defined hereinafter). In the Debtors' view, this will provide all creditors with adequate time to review the Schedules and their own records, and file a proof of claim with the Claims Agent, if necessary, before the earliest of the Bar Dates (as defined hereinafter).
30. The Claims Bar Date Order provides for, *inter alia*, the following:
  - (a) all creditors holding claims against the Debtors that arose before the Petition Date, except for governmental units and certain other exceptions as noted below, must file a proof of claim with the Claims Agent by 5:00pm Eastern Time on the General Bar Date;
  - (b) all governmental units holding claims against the Debtors that arose prior to the Petition Date must file a proof of claim with the Claims Agent by 5:00pm Eastern Time on November 12, 2018 (the "**Governmental Bar Date**");
  - (c) all parties asserting claims arising from the rejection of executory contracts or unexpired leases are required to file a proof of claim by the later of: (i) the General Bar Date, or (ii) 5:00pm Eastern Time on the date that is 30

days from the date that the Debtors provide written notice of the rejection date to the affected creditor (unless the order authorizing such rejection provides otherwise) (the “**Rejection Bar Date**”); and

- (d) all parties asserting claims against the Debtors that are affected by an amendment to the Schedules filed by the Debtors after the Service Date are required to file a proof of claim by the later of: (i) the General Bar Date, or (ii) 5:00pm Eastern Time on the date that is 30 days following the date on which the Debtors provide notice of such amendment to the affected creditor (the “**Amended Schedules Bar Date**”, and together with the General Bar Date, the Governmental Bar Date and the Rejection Bar Date, the “**Bar Dates**”).

31. On July 25, 2018, the Debtors filed the Bar Date Notice on the US docket, which established August 20, 2018 as the General Bar Date.
32. Pursuant to the Claims Bar Date Order, any creditor holding a claim against the Debtors that arose prior to the Petition Date and whose claim is either: (i) not listed on the Schedules, (ii) listed on the Schedules as disputed, contingent, unliquidated, or with an unknown or zero amount, or (iii) the creditor disagrees with the amount, nature, obligator and/or priority listed in the Schedules, must file a proof of claim with the Claims Agent prior to the applicable Bar Date.
33. The Information Officer understands that the Debtors intend to mail claims packages, including a copy of the Bar Date Notice, on or before August 1, 2018 to, among others, all known creditors of Rockport Canada (as listed on the Schedules), taxing authorities for the jurisdictions in which the Debtors conduct business in Canada, and all current employees and all former employees who were employed by the Debtors' within the two years prior to the Petition Date. Further, the Debtors will publish notice (the “**Publication Notice**”) of the Bar Dates in the Globe & Mail, national edition, as soon as practical after recognition of the Claims Bar Date Order. A copy of the Bar Date Notice and the Publication Notice are attached as exhibits to the July 26 Kosturos Affidavit.
34. The Information Officer will also post a copy of the Claims Bar Date Order, along with the Bar Date Notice and blank proof of claim form, to its website in order to provide additional notice to creditors in Canada of the claims process and Bar Dates.
35. Pursuant to the Claims Bar Date Order, the Information Officer notes that the rights and claims of Canadian creditors will be determined and governed by the provisions of the Bankruptcy Code. The Information Officer has sought to be updated by the Debtors in respect of a Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code and the proposed treatment of Canadian creditors therein, and will report further to the Canadian Court as information becomes available.

36. The Foreign Representative seeks recognition of the Bar Date Order in Canada in order to give effect to a uniform claims process and claims bar date for the coordination of the within ancillary proceedings with the Chapter 11 Proceedings for the identification and quantification of the claims of creditors against the Debtors.

#### **Edmonton Real Property Stipulations Order**

37. On May 16, 2017, Rockport Canada and Ivanhoe entered into a real property lease (the “**Edmonton Lease**”) for a retail store location at the Premium Outlet Collection Edmonton International Airport (the “**Leased Premises**”). The Information Officer understands Rockport Canada took possession of the Leased Premises on March 1, 2018 to commence implementing leasehold improvements to open a retail store in May 2018, but discontinued such work prior to the Petition Date. As the store was not in use by the Debtors, there would be no inventory located at the Leased Premises, and it would be excluded from the Store Closing Sales. Accordingly, after the Petition Date, Rockport Canada sought to negotiate a consensual termination of the Edmonton Lease with Ivanhoe.
38. On May 22, 2018, Dama registered a lien (the “**Lien**”) against the leasehold interest of Rockport Canada pursuant to the Builders’ Lien Act (Alberta) at the Leased Premises. The Lien claimed by Dama is in the amount of CAD\$139,892.27 (the “**Lien Amount**”). Dama registered the Lien, claiming amounts in respect of the discontinued leasehold improvements performed at the Leased Premises. Following discussions among the interested parties, Dama agreed to effect a discharge of the Lien on the basis that Rockport Canada paid the Lien Amount to the Information Officer, in trust, pending an assessment of the validity and enforceability of the Lien.
39. On June 4, 2018, Sunco Drywall Ltd ( “**Sunco**”), a subcontractor of Dama, registered a builders’ lien in the amount of CAD\$29,563.47 (the “**Second Lien**”). Sunco has agreed that discharge of the Lien automatically operates to discharge the Second Lien.
40. Ivanhoe agreed to enter into an agreement (the “**Ivanhoe Stipulation**”) with Rockport Canada to terminate the Edmonton Lease, but has conditioned such termination on the discharge of the Lien, as more fully described in the July 26 Kosturos Affidavit. The Debtors also sought authority to abandon certain surplus assets, primarily furniture, fixtures and equipment, accumulated at the Leased Premises as part of the Ivanhoe Stipulation. The Ivanhoe Stipulation was approved by the US Court pursuant to the Edmonton Real Property Stipulations Order.
41. Following discussions among the interested parties, Dama agreed to enter into an agreement (the “**Dama Stipulation**”) to effect a discharge of the Lien on the basis that Rockport Canada paid the Lien Amount to the Information Officer, in trust, as more fully described in the July 26 Kosturos Affidavit. Pursuant to the Dama Stipulation, the Lien Amount will stand in the place and stead of the Lien, with the same priority as it had as if the Lien has not been discharged. Upon payment of the Lien Amount to the Information Officer, Dama will discharge the Lien

and the Debtors can proceed with termination of the Edmonton Lease pursuant to the Ivanhoe Stipulation. As noted, the discharge of the Lien pursuant to the Dama Stipulation shall encompass the discharge of the Second Lien.

42. Pursuant to the Dama Stipulation, the Information Officer shall hold the Lien Amount pending an assessment of the validity and enforceability of the Lien and shall make no distributions of all or any portion of the Lien Amount, unless there is an agreement between Rockport Canada and Dama or further order of the Canadian Court.
43. The Ivanhoe Stipulation contemplates that Ivanhoe will terminate the Edmonton Lease. However, the stay of proceedings currently imposed pursuant to the Supplemental Order prevents the termination from being effective. As a result, it is necessary to lift the stay of proceedings for the limited purpose of permitting Ivanhoe to fulfill its obligations pursuant to the Ivanhoe Stipulation. As such, Rockport Canada not only consents to the stay being lifted for this limited purpose, but the Foreign Representative is seeking recognition of the Edmonton Real Property Stipulations Order to do so in order to assist with the implementation of the Ivanhoe Stipulation and the Dama Stipulation.

## **V. UPDATE ON CERTAIN OTHER MATTERS IN THE CHAPTER 11 PROCEEDINGS**

### **Adidas Adversary Proceeding**

44. On June 28, 2018, adidas AG and its subsidiary Reebok International Ltd. (collectively “**Adidas**”) filed an objection (the “**Adidas Objection**”) in connection with the Debtors motion for the Sale Order. Adidas and Reebok sold the Rockport business to Relay Intermediate, LLC (now known as The Rockport Group, LLC) in 2015.
45. On July 10, 2018, the Debtors filed an emergency complaint with the US Court (in the “**Debtors’ Complaint**”) for declaratory judgement against Adidas (the “**Adversary Proceeding**”). Contemporaneously with the Debtors’ Complaint, the Debtors filed a motion to expedite the Adversary Proceeding.
46. On July 17, 2018, the parties had conferred and reached agreement on the terms of an Order Expediting Adversary Proceeding, which set out the schedule for discovery and established trial dates with the US Court for August 8 and August 9, 2018.
47. On July 20, 2018, counsel to the Debtors advised the Canadian Court that Adidas and the Debtors had just reached a settlement (the “**Settlement**”) in connection with the Adversary Proceeding. The Settlement, among other things, requires the Debtors to pay, or cause to be paid, \$8 million to Adidas in full and final satisfaction of all claims of Adidas against the Debtors.
48. The Information Officer understands that the Settlement removes any impediment that the claims raised by Adidas in either the Adidas Objection or the Adversary Proceeding may have on the Debtors’ ability to close the Sale

Transaction. As a result, the Information Officer understands the Debtors and the Purchaser have agreed to work towards a closing date of August 1, 2018.

49. On July 24, 2018, the Debtors filed with the US Court motions (the “**Settlement Motions**”) for:
  - (a) an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholder Parties Filed by The Rockport Company, LLC; and
  - (b) an Order Shortening Notice and Objection Periods for Motion of Debtors for Entry of an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholders.
50. The US Court has scheduled a hearing at 2:00pm EST on July 30, 2018 in respect of the Settlement Motions. The Information Officer will report further to the Canadian Court in respect of the Settlement Motions as part the Foreign Representative’s motion returnable on August 1, 2018 for an order seeking recognition of any orders granted by the US Court in connection therewith.

## **VI. UPDATE ON CERTAIN MATTERS RELATING TO ROCKPORT CANADA**

51. Subsequent to the granting of the Supplemental Order, the Debtors have provided weekly reporting to the Information Officer with respect to the cash flows of Rockport Canada. For the ten (10) weeks ended July 21, 2018, Rockport Canada had total cash receipts of approximately CAD\$19.1 million (as compared to forecasted cash receipts of CAD\$13.1 million) and total operating cash disbursements of CAD\$5.9 million (as compared to forecasted operating cash disbursements of \$5.2 million), for a net operating cash inflow of CAD\$13.3 million (as compared to forecasted net cash inflow of CAD\$7.9 million) over the period.
52. Additionally, Rockport Canada had made approximately CAD\$10.7 million in non-operating cash disbursements over the ten week period ending July 21, 2018, primarily in connection with the following:
  - (a) CAD\$4.5 million in Permitted Rockport Canada Intercompany Transactions (as defined in the Final Cash Management Order) on account of inventory purchased postpetition from the US Debtors, as necessary for Rockport Canada’s ongoing operations, including a mark-up on the cost of inventory for postpetition back office services provided by the US Debtors; and
  - (b) a \$4.5 million (approximately CAD\$6.0 million) Initial Intercompany Transfer to the US Debtors pursuant to the Intercompany Payment Order.
53. As at July 21, 2018, the Information Officer understands that Rockport Canada had approximately CAD\$3.9 million of cash on hand.

## VII. ACTIVITIES OF THE INFORMATION OFFICER

54. The activities of the Information Officer since the Second Report include:

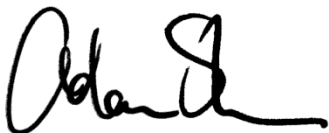
- (a) responding to creditor inquiries regarding the Chapter 11 Proceedings and the CCAA proceedings;
- (b) communicating with the Debtors' advisors and the Information Officer's counsel regarding the status of matters related to the Chapter 11 Proceedings and the CCAA proceedings;
- (c) communicating with Canada Revenue Agency in connection with the sales tax accounts for Rockport Canada;
- (d) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Lease Rejection Order, the Claims Bar Date Order, and the Edmonton Real Property Stipulations Order;
- (e) attending before the Canadian Court in connection with recognition of the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order;
- (f) reviewing materials provided by the Debtors in connection with the Adversary Proceeding; and
- (g) preparing this Third Report.

## VIII. INFORMATION OFFICER'S RECOMMENDATION

55. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Lease Rejection Order, the Claims Bar Date Order and the Edmonton Real Property Stipulations Order, and respectfully recommends that this Court grant the recognition orders sought by the Foreign Representative.

All of which is respectfully submitted on this 27<sup>th</sup> day of July, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Rockport Canada ULC *et al***  
**and not in its personal capacity**



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Adam Sherman, MBA, CIRP, LIT



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Pritesh Patel, MBA, CFA, CIRP, LIT

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

Court File No. CV-18-597987-00CL

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC

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

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

Proceeding commenced at Toronto

**THIRD REPORT OF THE INFORMATION  
OFFICER, JULY 27, 2018**

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**Lawyers for the Information Officer, Richter  
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## **APPENDIX E**

Court File No. CV-18-597987-00CL

**ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC**

**FOURTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 31, 2018**

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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**FOURTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**JULY 31, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and certain First Day Orders. Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the **"Initial Recognition Order"**), which, among other things: (i) declared that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA; and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (**"Richter"**) as the information officer (the **"Information Officer"**) in respect of these proceedings, (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer, (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada, (iv) granted a super-priority charge over the Debtors' property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the **"Administration Charge"**), (v) granted a super-priority charge

over the Debtors' property in Canada in favour of the DIP ABL Lenders to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (the "**DIP ABL Lenders' Charge**"), and (vi) recognized and gave full force and effect in Canada to certain of the First Day Orders.

6. On June 5, 2018, the US Court granted an order (A) Approving Bidding Procedures for Sale of Substantially All of the Debtors Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the "**Bidding Procedures Order**").
7. On June 12, 2018 and June 13, 2018, the US Court entered various orders sought by the Debtors at their "second day hearings" (the "**Second Day Orders**").
8. On June 14, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to (i) the Bidding Procedures Order and (ii) the following Second Day Orders:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers' Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;
  - (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts, (II) Waiving Certain United States Trustee Requirements, (III) Authorizing Continued Performance of Intercompany Transactions, and (IV) Granting Related Relief;

- (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date;
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date;
  - (i) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (j) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales at their North American Retail Locations and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief;
  - (k) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules; and
  - (l) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer and Josh Jacobs as Interim Chief Operating Officer for the Debtors *nunc pro tunc* to the Petition Date.
9. On June 29, 2018, the US Court granted a Final Order (I) Authorizing The Debtors To (A) Obtain Postpetition Financing On A Super-Priority, Senior Secured Basis And (B) Use Cash Collateral, (II) Granting (A) Liens And Super-Priority Claims And (B) Adequate Protection To Certain Prepetition Lenders, (III) Modifying The Automatic Stay and (IV) Granting Related Relief (the “**Final DIP Financing Order**”).
  10. On July 5, 2018, the US Court granted an Order Pursuant to Sections 327(A) and 328(A) of the Bankruptcy Code (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors, *Nunc Pro Tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the “**Houlihan Retention Order**”).
  11. On July 16, 2018, the US Court heard the Debtors motion for an order authorizing and approving the sale (the “**Sale Transaction**”) of substantially all of the Debtors’ assets to CB Marathon Opco, LLC (the “**Purchaser**”), pursuant to an asset purchase agreement dated May 13, 2018 (the “**Asset Purchase Agreement**”), free and clear of all liens, claims, interests and encumbrances (except certain permitted encumbrances as determined by the Debtors and the Purchaser), and authorizing the assumption and assignment of certain of the Debtors’ contracts and leases to the Purchaser in connection with the Sale Transaction.

12. On July 18, 2018, the US Court entered the following orders sought by the Debtors:
  - (a) an Order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Order**"); and
  - (b) an Order Approving Stipulation Modifying Final Cash Management Order to Permit Intercompany Transfers Between Rockport Canada ULC and The Rockport Company, LLC (the "**Intercompany Payment Order**").
13. On July 20, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order.
14. On July 24, 2018, the US Court entered the following orders sought by the Debtors:
  - (a) an Order (I) Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property, (II) Authorizing Abandonment of Certain Property in Connection Therewith and (II) Granting Related Relief (the "**Lease Rejection Order**");
  - (b) an Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof (the "**Claims Bar Date Order**"); and
  - (c) an Order Approving Stipulations with (I) IC SPG POC at Edmonton LP ("**Ivanhoe**"), and (II) 90287939 Quebec Inc. cob as DAMA Construction ("**Dama**"), Regarding Lease of Non-Residential Real Property Located at Edmonton International Airport, Unit 438 (the "**Edmonton Real Property Stipulations Order**").
15. On July 30, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Lease Rejection Order, the Claims Bar Date Order, and the Edmonton Real Property Stipulations Order.

## II. PURPOSE OF REPORT

16. The purpose of this fourth report of the Information Officer (the "**Fourth Report**") is to provide the Canadian Court with information concerning the motion of the Foreign Representative returnable August 1, 2018, for recognition in Canada of the Adidas Settlement Order (as hereinafter defined).



### III. TERMS OF REFERENCE

17. In preparing this Fourth Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors' executives and other information provided on the U.S. docket in connection with the Chapter 11 Proceedings (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Fourth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
18. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars, which is the Debtors' common reporting currency.
19. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. Additionally, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Prime Clerk LLC, the claims and noticing agent (the "**Claims Agent**") in the Chapter 11 Proceedings, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.
20. Capitalized terms not otherwise defined herein are as defined in the application materials, including the affidavit of Jonathan Levi, Associate General Counsel of the Debtors, sworn July 30, 2018 (the "**Levi Affidavit**") filed in support of the Foreign Representative's motion. This Fourth Report should be read in conjunction with the Levi Affidavit, as certain information contained in the Levi Affidavit has not been included herein in order to avoid unnecessary duplication.

### IV. RECOGNITION OF ADIDAS SETTLEMENT ORDER

#### Background

21. On June 28, 2018, adidas AG ("**Adidas**") and its subsidiary Reebok International Ltd. ("**Reebok**") filed an objection (the "**Adidas Objection**") in connection with the Debtors motion for the Sale Order. In 2015, Reebok sold the Rockport business to Relay Intermediate, LLC (now known as The Rockport Group, LLC ("**TRG**")) (the "**2015 Transaction**").
22. The Information Officer understands the 2015 Transaction closed in two stages:

- (a) on July 31, 2015 (the “**Initial Closing**”), Reebok sold its interest in the Rockport business and assets, other than the Rockport assets belonging to Adidas’ foreign affiliates (the “**Group 2 Assets**”); and
  - (b) the Group 2 Assets were to be transferred to TRG in subsequent closings (the “**Subsequent Closings**”) that would occur after the Initial Closing once certain conditions in each relevant foreign market were fulfilled by TRG and Reebok. During this period, Adidas or its affiliates continued to operate and manage the Group 2 Assets for TRG’s benefit pursuant to a management agreement (the “**Management Agreement**”) entered into by TRG and Adidas as at July 31, 2015.
23. As noted in the Levi Affidavit, the Management Agreement obligated TRG to reimburse Adidas for certain closing adjustments and reconciliations (the “**Post-Closing Amounts**”) in connection with the Subsequent Closings, which amounts were not ultimately paid by TRG to Adidas prior to the Petition Date.
24. The Information Officer understands the nature of the Adidas Objection relates to, among other things, the obligations of the Debtors and certain of its non-Debtor subsidiaries in connection with the 2015 Transaction, and specifically the Management Agreement. Adidas and Reebok asserted that TRG and certain of its subsidiaries, including the Acquired Companies (as defined hereinafter) were jointly and severally liable for the Post-Closing Amounts, in an amount not less than approximately \$54 million. Adidas also alleges in the Adidas Objection that certain adiprene license agreements entered into as part of the 2015 Transaction that govern the use of certain Adidas-owned patents and trademarks (the “**License Agreements**”) have been terminated and therefore, are not available to be assigned through to the Purchaser as part of the Sale Transaction.
25. Pursuant to the Asset Purchase Agreement, the Sellers (as defined therein) represented that the entities to be acquired by the Purchaser, which include certain foreign subsidiaries of the Debtors (the “**Acquired Companies**”) had no liability to Adidas, with the exception of certain specific liabilities of Rockport Japan and Rockport Korea (the “**Adidas Liabilities**”). As the Purchaser is directly or indirectly acquiring the stock of each of the Acquired Companies, the Acquired Companies and, therefore the Purchaser, would remain subject to the Post-Closing Amounts (if valid), upon closing the Sale Transaction. As a result of the Adidas Objection, on June 29, 2018 the Purchaser issued a prospective notice of breach of the Asset Purchase Agreement.
26. On July 10, 2018, the Debtors filed an emergency complaint with the US Court (the “**Debtors’ Complaint**”) for declaratory judgment against Adidas and Reebok (the “**Adversary Proceeding**”), as the issues raised by Adidas and Reebok jeopardized the Sale Transaction. Contemporaneously with the Debtors’ Complaint, the Debtors filed a motion to expedite the Adversary Proceeding.
27. Adidas and Reebok objected to the motion to expedite the Adversary Proceeding and, on July 11, 2018 and July 16, 2018, the US Court held hearings to consider the parties’ arguments related thereto. Following the July 16, 2018

hearing, the parties conferred and reached agreement on the terms of an Order Expediting Adversary Proceeding. The Order Expediting Adversary Proceeding set out the schedule for discovery and established trial dates with the US Court for August 8 and August 9, 2018.

28. On July 17, 2018, Adidas and the Debtors agreed to participate in a judicial mediation scheduled for July 19, 2018 before Judge Kevin Gross of the US Court. On or about July 19, 2018, the Debtors and certain of their non-Debtor affiliates (the “**Rockport Parties**”), and the prepetition noteholders, the DIP note purchasers and existing or former equity holders, as applicable (collectively the “**Noteholder Parties**”) reached a compromise and settlement with Adidas, Reebok and certain of their affiliated entities (collectively the “**Adidas Parties**”) in connection with the mediation, and entered into a term sheet to memorialize their agreement, subject to incorporating the terms into a formal settlement agreement (the “**Settlement Agreement**”).

### **Settlement Agreement**

29. The key terms of the Settlement Agreement, as more fully described in the Levi Affidavit, are as follows:
- (a) on closing, the Debtors will direct the Purchaser to pay the sum of \$8 million (the “**Settlement Amount**”) to Adidas from the proceeds of the Sale Transaction;
  - (b) the payment of the Settlement Amount shall be in full and final satisfaction of all claims of the Adidas Parties, including the Post-Closing Amounts, against any one or more of the Rockport Parties arising out of, or related to, certain agreements entered into in connection with the 2015 Transaction, including the Management Agreement;
  - (c) contemporaneously with the payment of the Settlement Amount, the Purchaser will deliver an executed release to the Adidas Parties with respect to matters relating to the alleged Adidas Liabilities as set forth in the Asset Purchase Agreement (the “**Adidas Purchaser Release**”);
  - (d) upon the payment of the Settlement Amount and the provision of the Adidas Purchaser Release:
    - (i) the Adidas Parties will release each of the Rockport Parties, the Noteholder Parties and the Purchaser from any and all claims, causes of action, suits, damages, fees, demands and liabilities that any of the Adidas Parties has, had or may have arising out of or related to certain agreements entered into in connection with the 2015 Transaction; and
    - (ii) the Rockport Parties and the Noteholder Parties will release the Adidas Parties from any and all claims, causes of action, suits, damages, fees, demands and liabilities that any of the Adidas Parties has, had or may have arising out of or related to certain agreements entered into in connection with the 2015 Transaction.

- (e) the Acquired Companies will release the Adidas Parties from any and all claims, causes of action, suits, damages, fees, demands and liabilities that any of the Adidas Parties has had, or may have, arising out of or related to certain agreements entered into in connection with the 2015 Transaction;
  - (f) the Settlement Agreement will not release:
    - (i) any unsecured claim asserted by Reebok against any of the Debtors related to any lease of non-residential real property;
    - (ii) any of the Noteholder Parties' prepetition or postpetition claims against, or equity interests in, the Rockport Parties;
    - (iii) any obligations or agreements arising under the License Agreements from and after the consummation of the assignment and assumption of the License Agreements, as described below
    - (iv) the parties' obligations under the Settlement Agreement; and
    - (v) the Purchaser's obligations under the Asset Purchase Agreement.
  - (g) upon the payment of the Settlement Amount, and the provision of the Adidas Purchaser Release, Adidas will consent to the assignment and assumption of the License Agreements from TRG to the Purchaser;
  - (h) if the Debtors propose a Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code (the "**Plan**"), and the Noteholder Parties have provided written notice to the Adidas Parties that they support the Plan at least 10 days before voting deadline for the Plan, the Adidas Parties will vote any unsecured claims they have in favor of the Plan, subject to receiving a disclosure statement and solicitation materials; and
  - (i) as soon as possible after the payment of the Settlement Amount, the Rockport Parties and the Adidas Parties will execute a stipulation dismissing their claims and counterclaims in the Adversary Proceeding with prejudice.
30. The Information Officer understands that the Settlement Agreement, which is attached to the Adidas Settlement Order, removes any impediment that the claims raised by Adidas and Reebok in the Adidas Objection may have on the Debtors' ability to close the Sale Transaction.

#### **Adidas Settlement Order**

31. On July 24, 2018, the Debtors filed with the US Court motions for:
- (a) an Order Shortening Notice and Objection Periods for Motion of Debtors for Entry of an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholders (the "**Notice Order**"); and

(b) an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholder Parties (the “**Adidas Settlement Order**”).

32. On July 25, 2018, the US Court entered the Notice Order without hearing and, on July 30, 2018, the US Court heard the Debtors’ motion for the Adidas Settlement Order.
33. Prior to the objection deadline of July 29, 2018, the Information Officer understands the Debtors received informal comments from the DIP ABL Lenders regarding the assignment of the Licence Agreements, which were resolved to the satisfaction of the parties prior to the hearing for the Adidas Settlement Order. On July 30, 2018, the US Court entered the Adidas Settlement Order, a copy of which is attached as an exhibit to the Levi Affidavit.
34. The Information Officer notes that the Settlement Amount is to be paid from the proceeds of the Sale Transaction and there has been no final determination of the allocation debt, proceeds and costs as amongst the Rockport entities. Counsel for the US Debtors confirmed to the Information Officer that nothing in the Adidas Settlement and/or Adidas Settlement Order is intended to, or in any way, affects the reservation of rights language in paragraphs 28 and 29 of the Sale Order, and paragraph 52 of the Final DIP Financing Order. The Information Officer continues to rely on such reservation of rights provisions as it continues to address the allocation issues.
35. The Information Officer understands that upon recognition of the Adidas Settlement Order by the Canadian Court, the Debtors and the Purchaser have agreed to work towards closing the Sale Transaction on or about August 1, 2018.

## **V. INFORMATION OFFICER’S RECOMMENDATION**

36. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Adidas Settlement Order, and respectfully recommends that the Canadian Court grant the recognition order sought by the Foreign Representative.

All of which is respectfully submitted on this 31<sup>st</sup> day of July, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Rockport Canada ULC et al**  
**and not in its personal capacity**



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**Adam Sherman, MBA, CIRP, LIT**



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**Pritesh Patel, MBA, CFA, CIRP, LIT**

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

Court File No. CV-18-597987-00CL

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC

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

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

Proceeding commenced at Toronto

**FOURTH REPORT OF THE INFORMATION  
OFFICER, JULY 31, 2018**

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## **APPENDIX F**

Court File No. CV-18-597987-00CL

**ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC**

**FIFTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**DECEMBER 20, 2018**



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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P  
HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE  
ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT  
CANADA ULC**

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

**FIFTH REPORT OF THE INFORMATION OFFICER  
RICHTER ADVISORY GROUP INC.**

**DECEMBER 20, 2018**

## I. INTRODUCTION

1. On May 14, 2018 (the **"Petition Date"**), Rockport Blocker, LLC (**"Rockport Blocker"**), The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the **"US Debtors"**), and Rockport Canada ULC (**"Rockport Canada"** and together with the US Debtors, the **"Rockport Group"** or the **"Debtors"**), commenced voluntary reorganization proceedings (the **"Chapter 11 Proceedings"**) in the United States Bankruptcy Court for the District of Delaware (the **"US Court"**) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101-1532 (the **"Bankruptcy Code"**).
2. Also on the Petition Date, the Debtors filed various motions for interim and/or final orders (the **"First Day Motions"** and the orders granted by the US Court in respect thereof, the **"First Day Orders"**) in the Chapter 11 Proceedings to permit the Debtors to advance their reorganization. The First Day Orders included an order authorizing Rockport Blocker to act as the foreign representative (in such capacity, the **"Foreign Representative"**) of the Debtors for the within proceedings (the **"Foreign Representative Order"**).
3. On May 15, 2018, the US Court granted the Foreign Representative Order and certain First Day Orders. Also on May 15, 2018, Rockport Blocker, in its capacity as Foreign Representative, commenced an application before the Ontario Superior Court of Justice (Commercial List) (the **"Canadian Court"**) pursuant to Part IV of the *Companies' Creditors Arrangement Act* (R.S.C. 1985, c. C-36, as amended) (the **"CCAA"**).
4. On May 16, 2018, the Canadian Court granted an initial recognition order (the **"Initial Recognition Order"**), which, among other things: (i) declared that Rockport Blocker is a "foreign representative" as defined in section 45 of the CCAA; (ii) declared that the centre of main interest for the Rockport Group is the United States and the Chapter 11 Proceedings are recognized as a "foreign main proceeding" under the CCAA (the **"Recognition Proceedings"**); and (iii) granted a stay of proceedings against the Rockport Group in Canada.
5. Also on May 16, 2018, the Canadian Court granted a supplemental order (the **"Supplemental Order"**), pursuant to section 49 of the CCAA which, among other things: (i) appointed Richter Advisory Group Inc. (**"Richter"**) as the information officer (the **"Information Officer"**) in respect of these proceedings, (ii) stayed any proceeding, rights or remedies against or in respect of the Rockport Group, the business and property of the Rockport Group, the directors and officers of the Rockport Group in Canada, and the Information Officer, (iii) restrained the right of any person or entity to, among other things, discontinue or terminate any supply of products or services required by the Rockport Group in Canada, (iv) granted a super-priority charge over the Debtors' property in Canada in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings, up to a maximum amount of \$300,000 (the **"Administration Charge"**), (v) granted a super-priority charge over the Debtors'

property in Canada in favour of the DIP ABL Lenders to secure obligations of the Rockport Group, including Rockport Canada, under the DIP ABL Facility (the “**DIP ABL Lenders’ Charge**”), and (vi) recognized and gave full force and effect in Canada to certain of the First Day Orders.

6. On June 5, 2018, the US Court granted an order (A) Approving Bidding Procedures for Sale of Substantially All of the Debtors Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of Substantially All of the Debtors Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief (the “**Bidding Procedures Order**”).
7. On June 12, 2018 and June 13, 2018, the US Court entered various orders sought by the Debtors at their “second day hearings” (the “**Second Day Orders**”).
8. On June 14, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to (i) the Bidding Procedures Order and (ii) the following Second Day Orders:
  - (a) a final Order (I) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Deeming Utility Companies Adequately Assured of Future Performance and (III) Establishing Procedures for Resolving Requests for Additional Adequate Assurance;
  - (b) a final Order Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (c) a final Order Authorizing (I) Debtors to Pay Claims of Critical and Foreign Vendors in the Ordinary Course of Business and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (d) a final Order Authorizing (I) the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Independent Contractors and Temporary Workers and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (e) a final Order (I) Authorizing the Debtors to Continue and Renew Their (A) Insurance Programs and Premium Financing and (B) Surety Bond Program and to Pay All Obligations With Respect Thereto, (II) Modifying the Automatic Stay with Respect to the Workers’ Compensation Program and (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;
  - (f) a final Order (I) Authorizing Continued Use of Existing Cash Management System and Bank Accounts, (II) Waiving Certain United States Trustee Requirements, (III) Authorizing Continued Performance of Intercompany Transactions, and (IV) Granting Related Relief;

- (g) an Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective *nunc pro tunc* to the Petition Date;
  - (h) an Order Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor *nunc pro tunc* to the Petition Date;
  - (i) a final Order Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers;
  - (j) an Order (I) Authorizing the Debtors to (A) Conduct Store Closing Sales at their North American Retail Locations (the “**Store Closing Sales**”) and (B) Pay Store Closing Bonuses to Employees at the Closing Stores and (II) Granting Related Relief (the “**Store Closing Order**”);
  - (k) an Order (I) Authorizing the Retention and Employment of HYPERAMS, LLC as Liquidation Consultant *nunc pro tunc* to May 25, 2018 and (II) Modifying Certain Reporting Requirements under the Local Rules; and
  - (l) an Order Authorizing the Debtors to (A) Retain Alvarez & Marsal North America, LLC to Provide the Debtors an Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (B) Designate Paul Kosturos as Interim Chief Financial Officer and Josh Jacobs as Interim Chief Operating Officer for the Debtors *nunc pro tunc* to the Petition Date.
9. On June 29, 2018, the US Court granted a Final Order (I) Authorizing The Debtors To (A) Obtain Postpetition Financing On A Super-Priority, Senior Secured Basis And (B) Use Cash Collateral, (II) Granting (A) Liens And Super-Priority Claims And (B) Adequate Protection To Certain Prepetition Lenders, (III) Modifying The Automatic Stay and (IV) Granting Related Relief (the “**Final DIP Financing Order**”).
  10. On July 5, 2018, the US Court granted an Order Pursuant to Sections 327(A) and 328(A) of the Bankruptcy Code (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors, *Nunc Pro Tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the “**Houlihan Retention Order**”).
  11. On July 16, 2018, the US Court heard the Debtors motion for an order authorizing and approving the sale (the “**Sale Transaction**”) of substantially all of the Debtors’ assets to CB Marathon Opco, LLC (the “**Purchaser**”), pursuant to an asset purchase agreement dated May 13, 2018 (the “**Asset Purchase Agreement**”), free and clear of all liens, claims, interests and encumbrances (except certain permitted encumbrances as determined by the Debtors and the Purchaser), and authorizing the assumption and assignment of certain of the Debtors’ contracts and leases to the Purchaser in connection with the Sale Transaction.
  12. On July 18, 2018, the US Court entered the following orders sought by the Debtors:

- (a) an Order (A) Approving Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "**Sale Order**"); and
  - (b) an Order Approving Stipulation Modifying Final Cash Management Order to Permit Intercompany Transfers Between Rockport Canada ULC and The Rockport Company, LLC (the "**Intercompany Payment Order**").
- 13. On July 20, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Final DIP Financing Order, the Houlihan Retention Order, the Sale Order and the Intercompany Payment Order.
- 14. On July 24, 2018, the US Court entered the following orders sought by the Debtors:
  - (a) an Order (I) Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property, (II) Authorizing Abandonment of Certain Property in Connection Therewith and (II) Granting Related Relief (the "**Lease Rejection Order**");
  - (b) an Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims (Including for Administrative Expense Claims Arising Under Section 503(b)(9) of the Bankruptcy Code) and Approving the Form and Manner of Notice Thereof (the "**Claims Bar Date Order**"); and
  - (c) an Order Approving Stipulations with (I) IC SPG POC at Edmonton LP ("**Ivanhoe**"), and (II) 90287939 Quebec Inc. cob as DAMA Construction ("**Dama**"), Regarding Lease of Non-Residential Real Property Located at Edmonton International Airport, Unit 438 (the "**Edmonton Real Property Stipulations Order**").
- 15. On July 30, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Lease Rejection Order, the Claims Bar Date Order, and the Edmonton Real Property Stipulations Order.
- 16. On July 30, 2018, the US Court entered an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholder Parties (the "**Adidas Settlement Order**").
- 17. On August 1, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Adidas Settlement Order.
- 18. On August 24, 2018, the US Court entered an order authorizing the Debtors to amend the caption used in the Chapter 11 Proceedings to reflect the change of the Debtors' corporate names (the "**Case Caption Change Order**").
- 19. On October 1, 2018, the US Court entered an order Authorizing the Debtors to Reject Certain Contracts (the "**Omnibus Contract Rejection Order**") that were not assumed by Purchaser pursuant to the Sale Transaction.

20. On September 21, 2018, the Debtors filed with the US Court a Combined Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (as amended and supplemented from time to time, the “**Plan**”) and the Disclosure Statement for the Plan (as amended from time to time, the “**Disclosure Statement**”). On October 16, 2018, the US Court entered an order (A) Approving the Combined Plan and Disclosure Statement on an Interim Basis, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Combined Plan and Disclosure Statement, (C) Approving the Forms of Ballots and Solicitation Materials, (D) Establishing the Voting Record Date, (E) Scheduling a Confirmation Hearing and Deadline for Filing Objections to Final Approval of the Combined Plan and Disclosure Statement and Confirmation Thereof and (F) Approving the Related Form of Notice on an interim basis (the “**Interim Disclosure Statement Order**”).

## II. PURPOSE OF REPORT

21. The purpose of this fifth report of the Information Officer (the “**Fifth Report**”) is to provide the Canadian Court with information concerning:
- (a) the motion of the Foreign Representative returnable December 21, 2018, for recognition in Canada of the Case Caption Change Order, the Omnibus Contract Rejection Order, and the Confirmation Order (as hereinafter defined);
  - (b) an update on matters relating to the Edmonton Real Property Stipulations Order;
  - (c) the anticipated next steps in the Recognition Proceedings; and
  - (d) the activities of the Information Officer since the third report dated July 27, 2018 (the “**Third Report**”).

## III. TERMS OF REFERENCE

22. In preparing this Fifth Report, the Information Officer has relied solely on information and documents provided by the Debtors and their advisors, including unaudited financial information, declarations and affidavits of the Debtors’ executives and other information provided on the U.S. docket in connection with the Chapter 11 Proceedings (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Fifth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

23. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars, which is the Debtors' common reporting currency.
24. The Information Officer has established a website at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada> to make available copies of the orders granted in these proceedings as well as motion materials and reports of the Information Officer. Additionally, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Prime Clerk LLC, the claims and noticing agent (the "**Claims Agent**") in the Chapter 11 Proceedings, which includes copies of the US Court materials and orders, notices and additional information in respect of the Chapter 11 Proceedings.
25. Capitalized terms not otherwise defined herein are as defined in the application materials, including the affidavit of Paul Kosturos, the interim Chief Financial Officer of the Debtors, sworn December 19, 2018 (the "**December 19 Kosturos Affidavit**") filed in support of the Foreign Representative's motion. This Fifth Report should be read in conjunction with the December 19 Kosturos Affidavit, as certain information contained in the December 19 Kosturos Affidavit has not been included herein in order to avoid unnecessary duplication.

#### IV. RECOGNITION OF THE CONFIRMATION ORDER

##### Summary Overview of the Plan<sup>1</sup>

26. As noted above, on September 21, 2018, the Debtors filed the Plan and the Disclosure Statement, and on October 16, 2016, the US Court approved the Disclosure Statement on an interim basis and related solicitation procedures for voting on the Plan. Amended versions of the Plan and the Disclosure Statement were filed with the US Court on October 16, 2018, December 17, 2018, and December 19, 2018, in part to address certain of the objections to the Plan, as described below. On November 9, 2018, the Debtors filed a supplement (the "**Plan Supplement**") to the Plan with the US Court.
27. The Plan is the culmination of extensive negotiations between the Debtors, the holders of the senior secured notes (the "**Prepetition Noteholders**"), the Official Committee of Unsecured Creditors of the Debtors (the "**UCC**"), and other key constituents of the Debtors' estates, including the Information Officer, resulting in this liquidating Chapter 11 plan.
28. Pursuant to the terms of the Final DIP Financing Order, the Prepetition Noteholders agreed to fund a \$2.5 million wind-down reserve (the "**Wind-Down Reserve**") to be used to pay the professional fees and other administrative costs incurred by the US Debtors after the closing of the Sale Transaction to Plan confirmation, with the balance of the Wind-Down Reserve to be made available for the benefit of the general unsecured creditors of the US Debtors. While the

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<sup>1</sup> The following paragraphs are intended to provide a summary overview of certain key aspects of the Plan and is qualified entirely by the actual terms of the Plan. Detailed disclosure by the Debtors of the terms of the Plan and the proposed treatment of claims and interests is provided in the Disclosure Statement, and creditors should refer to the Disclosure Statement and the Plan for a complete understanding of same.



Plan is consistent with the terms of the Final DIP Financing Order, the amount of the Wind-Down Reserve, which was based on the parties' best estimates at the time, proved insufficient to cover the actual amount of administrative and priority claims, including professional fees, against the US Debtors asserted in the Chapter 11 Proceedings. As such, the Prepetition Noteholders have consented to the additional use of their cash collateral (over and above the Wind-Down Reserve) to fund the payment of these amounts. These additional contributions from the Prepetition Noteholders are essential to the Plan's feasibility, absent which the Debtors would be unable to confirm the Plan, and there would likely be no prospect of a recovery to the general unsecured creditors of the US Debtors.

29. In the view of the Debtors, the Plan provides the most efficient means to conclude the Chapter 11 Proceedings and distribute available assets to the holders of allowed claims. Further, the liquidation of the Debtors' estates pursuant to the Plan avoids the unnecessary delay and additional costs that would have been incurred if the Chapter 11 Proceedings were converted to a Chapter 7 proceeding.
30. The effective date of the Plan is defined as the date (the "**Effective Date**") on which the conditions precedent to implementation of the Plan have been satisfied or waived pursuant to the terms of the Plan, including but not limited to:
  - (a) the Confirmation Order shall have become a Final Order in the U.S.;
  - (b) the Canadian Court shall have made an order recognizing the Confirmation Order, and such order shall have become a Final Order in Canada;
  - (c) the Liquidating Trust Agreement shall have been executed by the Liquidating Trustee; and
  - (d) the Rockport Canada Plan Administrator Agreement shall have been executed by the Rockport Canada Plan Administrator.
31. The Information Officer understands the Debtors anticipate the Effective Date to occur on or before December 31, 2018. The Information Officer will file a certificate (the "**Plan Implementation Certificate**") with the Canadian Court once the Plan has been implemented.
32. The chart below provides a summary of the treatment of claims and interests under the Plan:

Class	Claim/Interest	Status under the Plan	Voting Status	Anticipated Recovery
1(a)	Other Secured Claims against US Debtors	Unimpaired	Deemed to Accept	100%
1(b)	Other Secured Claims against Rockport Canada	Unimpaired	Deemed to Accept	100%
2	Prepetition Note Secured Claims against US Debtors	Impaired	Entitled to Vote	26% - 28%
3(a)	Other Priority Claims against US Debtors	Unimpaired	Deemed to Accept	100%
3(b)	Other Priority Claims against Rockport Canada	Unimpaired	Deemed to Accept	100%
4(a)	General Unsecured Claims against US Debtors	Impaired	Entitled to Vote	0% - 2%
4(b)	General Unsecured Claims against Rockport Canada	Impaired	Entitled to Vote	68% - 78%
5(a)	Intercompany Claims against US Debtors	Impaired	Deemed to Reject	No Distribution
5(b)	Intercompany Claims against Rockport Canada	Impaired	Deemed to Reject	No Distribution
6(a)	Equity Interests in US Debtors	Impaired	Deemed to Reject	No Distribution
6(b)	Equity Interests in Rockport Canada	Impaired	Deemed to Reject	No Distribution

33. As noted in the table above, only members of Class 2 (Prepetition Note Secured Claims against US Debtors), Class 4(a) (General Unsecured Claims against the US Debtors) and Class 4(b) (General Unsecured Claims against Rockport Canada) (collectively, the **“Voting Classes”**) were entitled to vote to accept or reject the Plan. Holders of claims in Class 1 (Other Secured Claims) and Class 3 (Other Priority Claims) are unimpaired under the Plan and, consequently, are deemed to have accepted the Plan pursuant to the Bankruptcy Code. Holders of claims or interests in Class 5 (Intercompany Claims) and Class 6 (Equity Interests) are not entitled to receive a distribution or retain any property under the Plan and, consequently, are conclusively deemed to have rejected the Plan pursuant to the Bankruptcy Code.
34. For purposes of voting, confirmation and making distributions under the Plan, the Plan provides for and is premised upon the substantive consolidation of the US Debtors and their estates. Rockport Canada shall not be substantively consolidated with the US Debtors for the purposes of the Plan and any allowed claims or interests against Rockport Canada shall be separately classified in a separate class.

35. The Plan, which has been confirmed by the US Court, contemplates, among other things, the creation of (i) a trust (the **"Liquidating Trust"**) from which distributions shall be made for the benefit of holders of allowed claims against the US Debtors, and (ii) a fund (the **"Rockport Canada Fund"**) from which distributions shall be made for the benefit of the holders of allowed claims against Rockport Canada.
36. Additional details on the Plan, including the third party releases contained in the Plan, and the injunctions and exculpations contemplated by the Plan, are discussed extensively in the December 19 Kosturos Affidavit and not repeated herein.

### **The Liquidating Trust**

37. As noted above, the Plan contemplates the creation of the Liquidating Trust on the Effective Date for the primary purpose of prosecuting the U.S. Litigation Claims, liquidating the Liquidating Trust Assets and making distributions to holders of allowed claims against the US Debtors in accordance with the Plan. The Liquidating Trust shall be administered by the Liquidating Trustee pursuant to the Liquidating Trust Agreement. The Liquidating Trustee was appointed by the UCC, in consultation with the Debtors and the Prepetition Noteholders, as noted in the Plan Supplement.
38. The operating costs for the Liquidating Trust, including the fees and disbursements of the Liquidating Trustee, shall be the responsibility of and paid by the Liquidating Trust in accordance with the Liquidating Trust Agreement. A Post-Effective Date Trust Reserve will be established by the Debtors on or prior to the Effective Date in the amount of \$485,000, which may be used by the Liquidating Trustee, subject to the terms of the Liquidating Trust Agreement, to pay any Liquidating Trust Operating Expenses and/or to make a distribution to the general unsecured creditors of the US Debtors (i.e. Class 4(a)). Based on the estimates provided by the Debtors in the Disclosure Statement and the Plan, general unsecured creditors of the US Debtors (i.e. Class 4(a)) are projected to receive a recovery of between 0% and 2% on their prepetition claims.

### **The Rockport Canada Fund**

39. As noted above, the Plan provides for the creation of the Rockport Canada Fund to make distributions to holders of allowed claims and interests against Rockport Canada. The Rockport Canada Fund is to be funded with the proceeds from (i) the Rockport Canada Allocation Amount (as hereinafter defined), (ii) the Rockport Canada Litigation Proceeds and (iii) any Insurance Policies with respect to Rockport Canada.
40. The Rockport Canada Fund will be administered by the Rockport Canada Plan Administrator pursuant to the Rockport Canada Plan Administrator Agreement, a copy of which is attached to the December 19 Kosturos Affidavit as Exhibit "F". As noted in the Plan Supplement and the December 19 Kosturos Affidavit, the Debtors have nominated Richter to act as Rockport Canada Plan Administrator, which appointment was confirmed in the Confirmation Order and shall be

effective as of the Effective Date, subject to recognition by the Canadian Court. The proposed Rockport Canada Plan Administrator role is discussed in greater detail at paragraphs 74 to 78 of this Fifth Report.

41. The Plan and the Rockport Canada Fund incorporates the settlement (the “**Allocation Agreement**”) reached among the Debtors, the Prepetition Noteholders and the Information Officer with respect to the allocation, among the US Debtors and Rockport Canada, of:
  - (a) the obligations under the Debtors’ revolving credit agreement, dated July 31, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the “**Prepetition ABL Facility**”) among certain of the Debtors, including Rockport Canada, and Citizens Business Capital, as administrative agent and collateral agent for the lenders;
  - (b) the costs of the Chapter 11 Proceedings;
  - (c) the net proceeds available from Sale Transaction, after factoring in certain adjustments permitted under the Asset Purchase Agreement; and
  - (d) the gross distributable assets at Rockport Canada, which included the proceeds of the Store Closing Sales pursuant to the Store Closing Order, the reimbursement of the payments made to the US Debtors pursuant to the Intercompany Transfer Order, and the cash on hand at Rockport Canada.
42. The Allocation Agreement was the result of ongoing discussions between the Debtors, the Prepetition Noteholders and the Information Officer since the onset of the Chapter 11 Proceedings with respect to the allocation of debt, costs and proceeds. The Information Officer notes that the Debtors original plan filed on September 21, 2018 included a waterfall analysis that proposed a settlement amount of \$5,181,000 being allocated to Rockport Canada as part of the Rockport Canada Fund. As discussed in greater detail in the December 19 Kosturos Affidavit, the Debtors, the Information Officer and the Prepetition Noteholders ultimately arrived at an agreed allocation that resulted in \$6,007,000 (the “**Rockport Canada Allocation Amount**”) being made available to the Rockport Canada Fund. Prior to finalizing the Allocation Agreement, the Information Officer updated and sought comments from certain of the significant general unsecured creditors of Rockport Canada.
43. The Allocation Agreement represents a final settlement as to the allocation of the debt, costs and proceeds, and the Debtors, the Information Officer and the Prepetition Noteholders have agreed that there will be no reconsideration of or adjustments to the Rockport Canada Allocation Amount. The entry of the Confirmation Order constitutes the US Court’s approval of the Allocation Agreement pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 9019(a). At the hearing for the Confirmation Order, the US Court specifically considered and approved the Allocation Agreement.
44. The Rockport Canada Fund will first be used to fund claims and interests against Rockport Canada related, but not limited, to:

- (a) all Other Secured Claims (Class 1(b)), if any;
  - (b) all administrative expense and priority claims, including priority tax claims of governmental taxing authorities in Canada;
  - (c) any statutory fees payable to the US Trustee (as hereinafter defined) for distributions made from the Rockport Canada Plan Administrator from and after the Effective Date;
  - (d) all professional fees incurred as part of the Recognition Proceedings from the Closing Date (as hereinafter defined) to the date of termination of the Recognition Proceedings, as these costs are excluded from the Wind-Down Reserve; and
  - (e) the administrative costs of the Rockport Canada Fund, including the fees and disbursements of the Rockport Canada Plan Administrator, its legal counsel and any other professionals retained pursuant to the Rockport Canada Plan Administration Agreement.
45. After payment of the above claims and interests, the balance of the Rockport Canada Fund will be used to fund a distribution to holders of allowed general unsecured claims against Rockport Canada. Based on the estimates provided by the Debtors in the Disclosure Statement and the Plan, general unsecured creditors of Rockport Canada (i.e. Class 4(b)) are projected to receive a recovery of between 68% and 78% on their prepetition claims.
46. As part of the Allocation Agreement, the US Debtors have waived their rights to any distributions on account of their intercompany claims against Rockport Canada. Accordingly, the only circumstance under which any portion of the Rockport Canada Fund would be returned to the US Debtors would be in the event that the holders of the Class 4(b) claims are paid in full and there is a distribution to The Rockport Company, LLC on account of its equity interest in Rockport Canada.
47. The Information Officer was actively involved in the negotiation of the Allocation Agreement and is of the view that the Allocation Agreement and the Rockport Canada Allocation Amount are fair and reasonable in the circumstances. Absent such settlement, the parties may have commenced time-consuming and costly litigation, both before the US Court and the Canadian Court, as to the appropriate allocation of debt, costs and proceeds as among the US Debtors and Rockport Canada.
48. To reflect the payment obligations in respect of the Recognition Proceedings, and the Rockport Canada Plan Administrator Agreement as referred to above, the draft recognition order included in the Foreign Representative's motion materials contemplates:
- (a) the existing Administration Charge in favour of the Information Officer and its counsel will continue to remain in effect over the Rockport Canada Fund, pending further order of the Canadian Court;

- (b) the fees of the Rockport Canada Plan Administrator and its counsel are to be paid from the Rockport Canada Fund; and
- (c) the Foreign Representative is seeking a charge to be granted against the Rockport Canada Fund in favour of Borden Ladner Gervais LLP (“BLG”), Canadian counsel to Rockport Canada, in respect of its fees and disbursements incurred in the Recognition Proceedings. The Information Officer understands BLG’s fees up to July 31, 2018 have been approved and paid through the Chapter 11 Proceedings, and BLG expects this to continue through to the Effective Date. From the Effective Date to the date of termination of the Recognition Proceedings, the fees and disbursements of BLG will be paid from the Rockport Canada Fund. It is contemplated that the Recognition Proceedings will be terminated by the end of January, 2019, as discussed at paragraph 80 of this Fifth Report.

### **Plan Solicitation Process**

- 49. There was no separate Plan voting process for Canadian holders of claims or interests in the Debtors and, as such, Canadian creditors were subject to the voting process set out in the Interim Disclosure Statement Order, which process was conducted by the Claims Agent.
- 50. The chart below provides a summary of the timeline for the Plan solicitation process, as set out in the Disclosure Statement:

<b>Event</b>	<b>Date</b>
Voting Record Date	October 12, 2018
Solicitation Date	October 19, 2018
Plan Voting Deadline	November 19, 2018

- 51. The Information Officer understands the Disclosure Statement materials and Plan solicitation and voting materials (as prescribed by the Interim Disclosure Statement Order) were mailed to holders of claims and interests in the Debtors, including holders of general unsecured claims against Rockport Canada, on October 19, 2018.
- 52. The Disclosure Statement Order established November 19, 2018 at 5:00pm (prevailing Eastern Time) as the deadline for holders of claims in the Voting Classes to cast their votes to accept or reject the Plan. On December 17, 2018, the Claims Agent filed a declaration containing a tabulation of all ballots cast by the Voting Classes, as summarized below:

Class	Claim/Interest	Number Accepting (%)	Number Rejecting (%)	Amount Accepting (%)	Amount Rejecting (%)	Class Result	Voting
2	Prepetition Note Secured Claims against US Debtors	100%	0%	100%	0%	Accept	
4(a)	General Unsecured Claims against US Debtors	81.13%	18.87%	97.64%	2.36%	Accept	
4(b)	General Unsecured Claims against Rockport Canada	85.19%	14.81%	97.72%	2.28%	Accept	

53. As detailed in the table above, the Debtors received acceptance of the Plan by each of the Voting Classes. Additionally, on December 19, 2018, the Debtors entered into a stipulation whereby the votes of Federal Insurance Company, Great Northern Insurance Company, Pacific Indemnity Company, and ACE American Insurance Company (collectively, the “**Chubb Companies**”) were modified from rejection of the Plan to acceptance of the Plan. The voting results demonstrate the support of the Plan from the general unsecured creditors of the Debtors, including those creditors of Rockport Canada.

#### Plan Confirmation Hearing

54. On December 19, 2018, the US Court held a hearing to consider, on a final basis, whether the Disclosure Statement contained adequate information within the meaning of Section 1125(a) of the Bankruptcy Code, and confirmation of the Plan. Prior to the hearing, the Debtors received the following objections or informal comments in respect of the order (I) Approving Revised Combined Disclosure Statement and Chapter 11 Plan of Liquidation as Containing Adequate Information on a Final Basis and (II) Confirming Revised Combined Disclosure Statement and Chapter 11 Plan of Liquidation (the “**Confirmation Order**”):

- (a) objection from the Chubb Companies, that issued certain insurance policies to the Debtors as named insureds prior to the Petition Date, on the treatment of such insurance policies under the Plan, specifically the use of proceeds therefrom to fund the Liquidating Trust and the Rockport Canada Fund;
- (b) objection from the UCC, which was filed under seal, that the Plan was administratively insolvent and unconfirmable on the basis that the Wind-Down Reserve would not be sufficient to satisfy, in full, the administrative and priority claims filed against the US Debtors;
- (c) informal comments from the U.S. Securities and Exchange Commission;
- (d) informal comments from the Office of the United States Trustee for the District of Delaware (the “**US Trustee**”); and

- (e) informal comments from Attune Consulting USA, Inc.
55. The Information Officer understands that all objections and informal comments were resolved by the Debtors prior to, or at the confirmation hearing, or addressed by the revisions contained in the revised Plan filed by the Debtors on December 17, 2018 and further revised on December 19, 2018. On December 19, 2018, the US Court approved the Plan, found that each of the required elements of the Bankruptcy Code were satisfied by the Plan, and granted the Confirmation Order.
56. In granting the Confirmation Order, the US Court specifically addressed the tests outlined in the December 19 Kosturos Affidavit, including but not limited to:
- (a) voting thresholds, solicitation procedures, and acceptance by certain classes;
  - (b) good faith;
  - (c) Plan was in the best interests of creditors;
  - (d) approval of the Allocation Agreement; and
  - (e) appropriateness of the releases and exculpation language in the Plan.
57. The US Court also considered the request for substantive consolidation of the estates of the US Debtors, and confirmed that the amendments to the Plan made after the initial Disclosure Statement did not require further disclosure or voting.
58. The Information Officer supports the Plan and recommends the recognition of the Confirmation Order by the Canadian Court for the following reasons:
- (a) the Allocation Agreement embodied in the Plan provides for an equitable resolution of the issues of allocation debt, costs and proceeds as among the US Debtors and Rockport Canada;
  - (b) the projected recoveries by the general unsecured creditors of Rockport Canada are fair and equitable in the circumstances; and
  - (c) the Voting Classes, included the General Unsecured Claims against Rockport Canada, voted in favour of acceptance of the Plan.

## **V. OTHER ORDERS OF THE US COURT FOR WHICH RECOGNITION IS SOUGHT**

### **Case Caption Change Order**

59. The Sale Transaction with the Purchaser closed on August 2, 2018 (the “**Closing Date**”). Pursuant to section 8.17 of the Asset Purchase Agreement, the Debtors were required to cease using the name “Rockport” and any derivations thereof within ten days of the Closing Date. In addition, the Asset Purchase Agreement required the Debtors to file a



motion with the US Court seeking to change the case caption to remove any references to “Rockport” within ten days of the Closing Date.

60. Accordingly, in compliance with the Sale Order, and as required under the Asset Purchase Agreement, on or around August 8, 2018, the Debtors filed the necessary documentation in the applicable jurisdictions changing the corporate names of certain of the Debtors to the following:

Old Company Name	New Company Name
The Rockport Company, LLC	The Relay Company, LLC
Rockport Blocker, LLC	Relay Blocker, LLC
The Rockport Group Holdings, LLC	The Relay Group Holdings, LLC
TRG 1-P Holdings, LLC	Relay 1-P Holdings, LLC
TRG Intermediate Holdings, LLC	Relay Intermediate Holdings, LLC
TRG Class D, LLC	Relay Class D, LLC
The Rockport Group, LLC	The Relay Group, LLC
Rockport Canada ULC	Relay Opco Canada ULC

61. On August 24, 2018, the US Court granted the Case Caption Change Order, which, among other things, authorized the Debtors to amend the caption used in the Chapter 11 Proceedings to reflect the change of the Debtors’ corporate names.
62. The Foreign Representative seeks recognition of the Case Caption Change Order in an effort to coordinate these proceedings in the U.S. and Canada.

#### **Omnibus Contract Rejection Order**

63. On August 24, 2018, the Debtors filed an omnibus motion seeking entry of an order authorizing the Debtors to reject certain executory contracts (the “**Contracts**”) that were not assumed by the Purchaser as part of the Sale Transaction.
64. As of the Closing Date, the Debtors effectively ceased operations and were focused on winding down their estates for the benefit of all stakeholders. In light of the expected wind-down of the Debtors’ estates, the Debtors determined that they no longer required the goods and services provided in the Contracts as many related to the Debtors’ North American retail business that was liquidated pursuant to the Store Closing Order. As a result, the Debtors believed that the Contracts were burdensome and of no value to the Debtors and their estates, and, in their business judgment, sought to reject the Contracts.

65. On October 1, 2018, the US Court granted the Omnibus Contract Rejection Order, which, among other things, approved the rejection of the Contracts. While the majority of the Contracts relate to the US Debtors, the Information Officer understands that four of the Contracts are related to Rockport Canada, as described in the December 19 Kosturos Affidavit.
66. The Foreign Representative seeks recognition of the Omnibus Contract Rejection Order in order to ensure consistency in the treatment of contract counterparties in both Canada and the U.S.

## VI. OTHER MATTERS

### Interim Disclosure Statement Order

67. On September 21, 2018, the Debtors filed a motion for entry of an order approving, among other things, (i) the adequacy of the Disclosure Statement and the Plan filed contemporaneously therewith, on an interim basis, and for solicitation purposes only, (ii) establishing procedures for the solicitation and tabulation of votes to accept or reject the Plan and the Disclosure Statement, and (iii) approving the forms of ballot and solicitation materials.
68. The motion to approve solicitation procedures in connection with the Disclosure Statement and the Plan sought to establish the timeline for the Plan solicitation process and the classification and treatment of claims and interests in the Debtors, as described in section IV of this Fifth Report.
69. On October 16, 2018, the US Court entered the Interim Disclosure Statement Order approving, among other things, the Disclosure Statement on an interim basis, the procedures and timeline for the Plan solicitation process, and the vote tabulation procedures.

### Dama Distribution

70. On July 30, 2018, the Canadian Court granted an order which recognized and gave full force and effect in Canada to the Edmonton Real Property Stipulations Order, which approved a stipulation (the “**Dama Stipulation**”) to effect the discharge of a lien (the “**Lien**”) registered by Dama against the leasehold interest of Rockport Canada pursuant to the Builders’ Lien Act (Alberta) at a retail store location at the Premium Outlet Collection Edmonton International Airport. The Lien registered by Dama is in the amount of CAD\$139,892.27 (the “**Lien Funds**”). A copy of the Edmonton Real Property Stipulations Order is attached to the December 19 Kosturos Affidavit as Exhibit “G”.
71. Pursuant to the Dama Stipulation, upon payment of the Lien Funds to the Information Officer, Dama would discharge the Lien and Lien Funds would stand in the place and stead of the Lien, pending an assessment of the validity and enforceability of the Lien by the Debtors. Further, the Information Officer was required to hold the Lien Funds, in trust,

and not make distributions of all or any portion of the Lien Funds, unless there is an agreement between Rockport Canada and Dama, or further order of the Canadian Court.

72. The Information Officer received the Lien Funds from the Debtors on August 9, 2018 and the Lien was discharged thereafter.
73. Canadian counsel for Rockport Canada has reviewed the validity and enforceability of the Lien and, in consultation with Rockport Canada and the Information Officer, determined that the Lien is valid and enforceable, representing a priority claim in the Canadian proceedings. Accordingly, the Foreign Representative is seeking an order authorizing and directing the Information Officer to release the Lien Funds to Dama upon the filing of the Plan Implementation Certificate.

#### **Rockport Canada Plan Administrator**

74. As noted above, the Debtors have nominated Richter to act as the Rockport Canada Plan Administrator pursuant to the Rockport Canada Plan Administrator Agreement, which appointment was approved by the Confirmation Order and shall become effective on the Effective Date, subject to recognition by the Canadian Court.
75. Prior to accepting this nomination, Richter consulted certain of the significant general unsecured creditors of Rockport Canada. The major creditors did not express any concern with Richter accepting this role as the Rockport Canada Plan Administrator.
76. In its capacity as the Rockport Canada Plan Administrator, Richter's duties will include:
  - (a) receiving and administering the Rockport Canada Fund;
  - (b) resolving all Disputed Claims and any Claim objections with respect to Rockport Canada, including the power to object to Claims against Rockport Canada;
  - (c) calculating and making distributions to the holders of allowed Claims against Rockport Canada as provided for in the Plan;
  - (d) making decisions regarding the retention of professionals, including legal counsel, to assist with administering the Plan with respect to Rockport Canada; and
  - (e) undertaking administrative functions of Rockport Canada and the ultimate closing of the Chapter 11 Proceedings for Rockport Canada.
77. As noted above, the Rockport Canada Plan Administrator shall be compensated from the Rockport Canada Fund. The payment of the reasonable fees and expenses of the Rockport Canada Plan Administrator shall be made in the ordinary course of business and shall not be subject to the approval of the US Court or the Canadian Court.

78. As all Claims will be administered in accordance with the Bankruptcy Code, the US Court shall retain jurisdiction over all matters arising out of, and related to, the Plan to the extent permitted by law, including, but not limited to, the interpretation, implementation, and enforcement of the provisions of the Rockport Canada Plan Administrator Agreement. In the proposed recognition order, the Information Officer has requested the ability to return to the Canadian Court for directions should any local issues arise.

### **Anticipated Next Steps in the Recognition Proceedings**

79. As the implementation of the Plan will be the final step in the winding down of the affairs of the Debtors and the Chapter 11 Proceedings, the functions of the Information Officer will no longer be required after the Effective Date in respect of the Recognition Proceedings. Accordingly, the Information Officer believes it is appropriate to seek an order discharging Richter as Information Officer and relieving it from any further duties in respect of the Recognition Proceedings, in the near future.
80. As noted above, the Information Officer anticipates that it will a motion in January, 2019 seeking approval of, among other things, the Information Officer's reports and activities, the fees and disbursements of Information Officer and its counsel, discharging Richter in its capacity as Information Officer and terminating the Recognition Proceedings.

## **VII. ACTIVITIES OF THE INFORMATION OFFICER**

81. The activities of the Information Officer since the Third Report include:
- (a) responding to creditor inquiries regarding the Chapter 11 Proceedings, the Recognition Proceedings and the Plan;
  - (b) communicating with the Debtors' advisors and the Information Officer's counsel regarding the status of matters related to the Chapter 11 Proceedings and the Recognition proceedings;
  - (c) communicating with Canada Revenue Agency in connection with the sales tax accounts for Rockport Canada;
  - (d) communicating with the Debtors in connection with the sales tax and corporate tax accounts for Rockport Canada;
  - (e) reviewing materials filed by various parties in the Chapter 11 Proceedings in connection with the Case Caption Change Order, the Omnibus Contract Rejection Order, and the Confirmation Order;
  - (f) attending before the Canadian Court in connection with recognition of the Adidas Settlement Order;
  - (g) preparing the fourth report of the Information Officer dated July 31, 2018;
  - (h) reviewing materials provided by the Debtors in connection with the Allocation Agreement, including preparing and presenting resolutions to the Debtors and the Prepetition Noteholders in connection with same;
  - (i) discussions with Canadian counsel for Rockport Canada regarding the Lien;

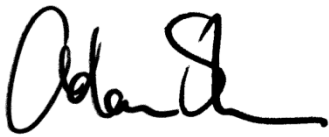
- (j) reviewing and commenting on the Plan, and any amendments thereto, and the Plan Supplement;
- (k) reviewing and commenting on the Rockport Canada Plan Administrator Agreement; and
- (l) preparing this Fifth Report.

## VIII. INFORMATION OFFICER'S RECOMMENDATION

82. Based on the Information received and reviewed to date, the Information Officer is of the view that it is reasonable to recognize the Case Caption Change Order, the Omnibus Contract Rejection Order and the Confirmation Order, and respectfully recommends that this Court grant the relief sought by the Foreign Representative.

All of which is respectfully submitted on this 20<sup>th</sup> day of December, 2018.

**Richter Advisory Group Inc.**  
**in its capacity as Information Officer of**  
**Rockport Canada ULC et al**  
**and not in its personal capacity**



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Adam Sherman, MBA, CIRP, LIT



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Pritesh Patel, MBA, CFA, CIRP, LIT

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

Court File No. CV-18-597987-00CL

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC

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

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

Proceeding commenced at Toronto

**FIFTH REPORT OF THE INFORMATION  
OFFICER, DECEMBER 20, 2018**

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**Lawyers for the Information Officer, Richter  
Advisory Group Inc.**

## **APPENDIX G**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

THE RELAY COMPANY, LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 18-11145 (LSS)

Jointly Administered

**NOTICE OF (A) ENTRY OF FINDINGS OF FACT,  
CONCLUSIONS OF LAW, AND ORDER (I) APPROVING REVISED COMBINED  
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION  
AS CONTAINING ADEQUATE INFORMATION ON A FINAL BASIS  
AND (II) CONFIRMING REVISED COMBINED DISCLOSURE STATEMENT  
AND CHAPTER 11 PLAN OF LIQUIDATION AND (B) EFFECTIVE DATE**

**PLEASE TAKE NOTICE** that an order (the “**Confirmation Order**”) of the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the District of Delaware, confirming and approving the *Revised Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 649] (including all exhibits thereto and as the same may be amended, modified or supplemented from time to time, the “**Combined Plan and Disclosure Statement**”)<sup>2</sup> was entered on December 19, 2018 [Docket No. 664].

**PLEASE TAKE FURTHER NOTICE** that, on December 21, 2018, the Ontario Superior Court of Justice (Commercial List) granted an order recognizing and enforcing the Confirmation Order in Canada.

**PLEASE TAKE FURTHER NOTICE** that all conditions precedent to effectiveness pursuant to Article XV.B of the Combined Plan and Disclosure Statement have been satisfied or waived. Therefore, today, December 31, 2018, is the Effective Date of the Combined Plan and Disclosure Statement.

<sup>1</sup> The debtors and debtors in possession in these cases and the last four digits of their respective Employer Identification Numbers are: Relay Blocker, LLC (f/k/a Rockport Blocker, LLC) (5097), The Relay Group Holdings, LLC (f/k/a The Rockport Group Holdings, LLC) (3025), Relay 1-P Holdings, LLC (f/k/a TRG 1-P Holdings, LLC) (4756), Relay Intermediate Holdings, LLC (f/k/a TRG Intermediate Holdings, LLC) (8931), Relay Class D, LLC (f/k/a TRG Class D, LLC) (4757), The Relay Group, LLC (f/k/a The Rockport Group, LLC) (5559), The Relay Company, LLC (f/k/a The Rockport Company, LLC) (5456), Drydock Footwear, LLC (7708), DD Management Services LLC (8274), and Relay Opco Canada ULC (f/k/a Rockport Canada ULC) (3548). The debtors' mailing address is 1220 Washington Street, West Newton, Massachusetts 02465.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Combined Plan and Disclosure Statement.



**PLEASE TAKE FURTHER NOTICE** that the Combined Plan and Disclosure Statement and its provisions are binding on, among others, the Debtors, all holders of Claims and Interests (irrespective of whether such Claims or Interests are impaired under the Combined Plan and Disclosure Statement or whether the Holders of such Claims or Interests have accepted the Combined Plan and Disclosure Statement), and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors, as provided in the Combined Plan and Disclosure Statement.

**PLEASE TAKE FURTHER NOTICE** that any Holder of a Claim arising from the rejection of an executory contract or unexpired lease pursuant to the Combined Plan and Disclosure Statement must submit a Proof of Claim on account of such Claim by no later than **January 30, 2019 at 5:00 p.m. (prevailing Eastern Time)** to the Claims Agent at the following address: The Rockport Company, LLC Claims Processing Center c/o Prime Clerk LLC, 850 Third Avenue, Suite 412 Brooklyn, New York 11232. **Any Proofs of Claim not submitted and actually received by the Claims Agent by such date will be forever barred from assertion against the Debtors and their Estates.**

**PLEASE TAKE FURTHER NOTICE** that the Administrative Expense Claim Bar Date is January 30, 2019 at 4:00 p.m. (prevailing Eastern Time). Unless otherwise ordered by the Bankruptcy Court, Holders of Administrative Expense Claims (other than the Holders of Professional Fee Administrative Claims and the Claims of Governmental Units arising under Section 503(b)(1)(B), (C), or (D) of the Bankruptcy Code) that do not file requests for allowance and payment thereof on or before the Administrative Expense Claim Bar Date shall forever be barred from asserting such Administrative Expense Claims against the Debtors and their Estates.

**PLEASE TAKE FURTHER NOTICE** that all requests for compensation or reimbursement of Professionals retained in these Chapter 11 Cases for services performed and expenses incurred prior to the Effective Date shall be filed and served on (a) the Debtors' counsel, Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, DE 19801, Attn: Mark D. Collins, Michael J. Merchant and Amanda R. Steele, (b) the United States Trustee, 844 King Street, Suite 2207, Lockbox #35, Wilmington, DE 19801, Attn: Brya Keilson, and (c) counsel to the Creditors' Committee (i) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (ii) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com, and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order, or other order of the Bankruptcy Court, by no later than **January 30, 2019 at 4:00 p.m. (prevailing Eastern Time)**, unless otherwise agreed by the Debtors.

**PLEASE TAKE FURTHER NOTICE** that, after the Effective Date, all notices previously provided to the U.S. Debtors shall be addressed to the Liquidating Trustee at the following address:

The Relay Shoe Company, LLC  
Liquidating Trustee c/o MHR Advisory Group  
6701 Bay Parkway  
3rd Floor  
Brooklyn, New York 11204  
Attn: Steve Balasiano  
Telephone: (347) 905-5669  
Email: [steven@balasianolaw.com](mailto:steven@balasianolaw.com)

**PLEASE TAKE FURTHER NOTICE** that, after the Effective Date, all notices previously provided to Rockport Canada shall be addressed to the Rockport Canada Plan Administrator at the following address:

Richter Advisory Group Inc.  
Adam Sherman  
Pritesh Patel  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
Telephone: (416) 488-2345  
Email: [asherman@richter.ca](mailto:asherman@richter.ca)  
[ppatel@richter.ca](mailto:ppatel@richter.ca)

**PLEASE TAKE FURTHER NOTICE** that the copies of the Confirmation Order and the Combined Plan and Disclosure Statement may be obtained and/or are available for review without charge at the website of the Claims Agent, <https://cases.primeclerk.com/rockport>, or by contacting the Claims Agent via telephone ((844) 224-1137).

Dated: December 31, 2018  
Wilmington, Delaware

Respectfully submitted,  
RICHARDS, LAYTON & FINGER, P.A.

/s/ Amanda R. Steele

Mark D. Collins (No. 2981)

Michael J. Merchant (No. 3854)

Amanda R. Steele (No. 5530)

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Wilmington, Delaware 19801

Tel.: (302) 651-7700

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steele@rlf.com

*Counsel to the Debtors and Debtors in Possession*

## **APPENDIX H**

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

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

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

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

**INFORMATION OFFICER'S PLAN IMPLEMENTATION CERTIFICATE**

- A. Pursuant to the Supplemental Order (Foreign Main Proceeding) dated May 16, 2018, made by Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Richter Advisory Group Inc. ("**Richter**") was appointed as the information officer (the "**Information Officer**").
- B. Pursuant to an Order of the Court dated December 21, 2018 (the "**Plan Approval Order**"), the Court recognized an order, *inter alia*, (i) confirming the Debtors' plan of liquidation pursuant to Chapter 11 of the United States Bankruptcy Code as filed with the United States Bankruptcy Court for the District of Delaware (the "**US Court**") on September 21, 2018, as filed in revised form with the US Court on October 16, 2018, as filed in further revised form with the US Court on December 17, 2018 and as filed in further revised form with the US Court on December 19, 2018 (including all amendments, modifications and supplements, the "**Plan**"), and (ii) approving the Debtors' disclosure statement in respect of the Plan (the "**Confirmation Order**").
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Plan Approval Order.

**THE INFORMATION OFFICER HEREBY CERTIFIES** the following:

1. The Information Officer is satisfied, in its discretion, that the Plan has been implemented and met its Effective Date (as defined in the Plan).

This Certificate was delivered by the Information Officer at 11:30 a.m. (time) on January 4, 2019 (date).

**RICHTER ADVISORY GROUP INC.**

in its capacity as Court-appointed Information Officer of Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC and Rockport Canada ULC

Per: 

Name: Pritesh Patel

Title: Vice President

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

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

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

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

PROCEEDINGS COMMENCED AT TORONTO

**INFORMATION OFFICER'S PLAN IMPLEMENTATION  
CERTIFICATE**

**BORDEN LADNER GERVAIS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto ON M5H 4E3  
Tel: 416-367-6000  
Fax: 416-367-6749

**Roger Jaipargas – LSO No. 43275C**

Tel: 416-367-6266  
rjaipargas@blg.com

**Alex MacFarlane – LSO No. 28133Q**

Tel: 416-367-6305  
amacfarlane@blg.com

**Evita Ferreira – LSO No. 69967K**

Tel: 416-367-6708  
eferreira@blg.com

Lawyers for Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC and Rockport Canada ULC



## **APPENDIX I**



ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, LLC, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND RELAY OPCO CANADA ULC<sup>1</sup>

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

AFFIDAVIT OF ADAM SHERMAN  
(sworn January 16, 2019)

I, Adam Sherman, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice President at Richter Advisory Group Inc. ("**Richter**"), the Court-appointed information officer (the "**Information Officer**") in the Part IV Companies' Creditors Arrangement Act (R.S.C. 1985, c. C-36, as amended) recognition proceedings (the "**Recognition Proceedings**") of Relay Blocker, LLC, The Relay Group Holdings, LLC, Relay 1-P Holdings, LLC, Relay Intermediate Holdings, LLC, Relay Class D, LLC, The Relay Group, LLC, The Relay Shoe Company, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the "**US Debtors**"), and Relay Opco Canada ULC (collectively, the "**Debtors**"). I am the individual at Richter with overall responsibility for this file. As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. This affidavit is filed in connection with the Information Officer's motion seeking approval of, among other things, the accounts of the Information Officer, U.S. counsel to the Information Officer, Womble Bond Dickinson (US), LLP ("**Womble**"), and those of its legal counsel in Canada, Stikeman Elliott LLP ("**Stikeman**").
3. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

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<sup>1</sup> Formerly and respectively known as Rockport Blocker, LLC, The Rockport Group Holdings, LLC TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Rockport Canada ULC


4. Richter was appointed as Information Officer pursuant to the Supplemental Order (Foreign Main Proceeding) granted in the within proceedings dated May 16, 2018 (the "**Supplemental Order**").
5. Attached as Exhibit "A" hereto is a summary listing of Richter's invoices for the within matter for the period from April 25, 2018 to December 31, 2018 (the "**Period**"), including invoice date and amount of the invoice (the "**Accounts**"). As shown in the summary listing, Richter's total fees and disbursements for the Period are \$515,119.00 and \$50,024.00, respectively, each excluding applicable taxes.
6. Richter, in its capacity as the Proposed Information Officer and the Information Officer, has filed six reports with the Court (the "**Reports**"). Details of the activities undertaken and services provided by the Information Officer in the within proceedings are described in the Reports and incorporated herein by reference.
7. In the course of performing its duties pursuant to the Supplemental Order, Richter's staff has expended a total of 724.65 professional hours during the Period at an average hourly rate of \$710.85. Attached as Exhibit "B" is a table detailing the billing rates and total hours of each of the professionals at Richter who performed services in the within proceedings.
8. Attached as Exhibit "C" hereto are true copies of Richter's invoices, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by Richter, for the within matter. These invoices have been submitted to the Debtors and paid in the normal course since the commencement of the CCAA Recognition Proceedings as authorized by the Supplemental Order.
9. The Information Officer requests that this Court approve its Accounts for the Period, in the total amount of \$638,611.61, inclusive of applicable taxes, for services rendered and recorded during the Period.
10. Stikeman has provided legal services to the Information Officer throughout the Recognition Proceedings in a manner consistent with the instructions of the Information Officer and has prepared an affidavit with respect to Stikeman's fees and disbursements charged in connection with services rendered during the period from April 1, 2018 to December 31, 2018. The Information Officer has reviewed the invoices rendered by Stikeman during the period and believes the services performed are consistent with the instructions given by the Information Officer. The Information Officer is also seeking approval of Stikeman's fees and disbursements on the within motion in the amount of \$428,947.00, inclusive of applicable taxes.
11. The Information Officer also retained Womble as counsel in the U.S. in connection with the Chapter 11 Proceedings. Womble has provided legal services to the Information Officer throughout the Recognition Proceedings in a manner consistent with the instructions of the Information Officer and has prepared an affidavit

with respect to Womble's fees and disbursements charged in connection with services rendered during the period from June 5, 2018 to December 31, 2018. The Information Officer has reviewed the invoices rendered by Womble during the period and believes the services performed are consistent with the instructions given by the Information Officer. The Information Officer is also seeking approval of Womble fees and disbursements on the within motion in the amount of USD\$114,695.41.

12. The Information Officer's fees and disbursements for the period from January 1, 2019 to the completion of all work relating to the Recognition Proceedings will be calculated and billed at the standard rates currently in effect. Barring unforeseen circumstances, I estimate that those fees and disbursements will not exceed \$70,000 (excluding applicable taxes), as follows:
  - a) Richter - \$40,000;
  - b) Stikeman - \$20,000; and
  - c) Womble - \$10,000.
13. To the best of my knowledge, the rates charged by the Richter, Stikeman and Womble are comparable to the rates charged by other firms for the provision of similar restructuring services.
14. I verily believe that the fees and disbursements incurred by Richter, Stikeman, and Womble are fair and reasonable in the circumstances.
15. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Richter and those of its legal counsel and for no improper purpose.

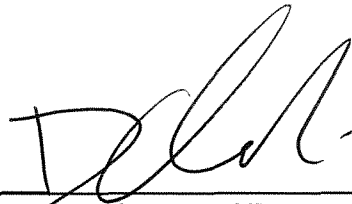
SWORN BEFORE ME at the City of Toronto, in  
the Province of Ontario, on January 16, 2019.

  
\_\_\_\_\_  
Commissioner for taking affidavits

  
\_\_\_\_\_  
Adam Sherman

**Daniel Robert Chomski, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires March 31, 2020.**

This is Exhibit "A" referred to in the Affidavit of  
Adam Sherman, sworn before me on  
January 16, 2019

A handwritten signature in black ink, appearing to read 'D. Chomski', written over a horizontal line.

Commissioner for Taking Affidavits, etc.

**Daniel Robert Chomski, a Commissioner, etc.,**  
**Province of Ontario, while a Student-at-Law.**  
**Expires March 31, 2020.**

Richter Advisory Group Inc.

Exhibit A

in its capacity as Information Officer of

Relay Blocker, LLC, The Relay Group Holdings, LLC, Relay 1-P Holdings, LLC, Relay Intermediate Holdings, LLC, Relay Class D, LLC, The Relay Group, LLC, The Relay Shoe Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Relay Opco Canada ULC

Statement of accounts

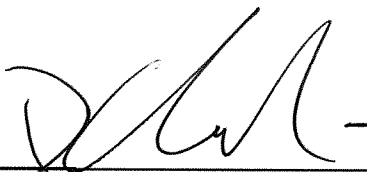
Invoice #	Period	Fees	Disbursements <sup>1</sup>	Sub total	HST	Total
20402894	April 25, 2018 to May 18, 2018	\$ 123,736.00	\$ 6,186.80	\$ 129,922.80	\$ 16,889.96	\$ 146,812.76
20403008	May 20, 2018 to June 22, 2018 <sup>2</sup>	131,121.25	30,824.09	161,945.34	21,052.90	182,998.24
20403099	June 26, 2018 to July 20, 2018	99,229.50	4,961.48	104,190.98	13,544.83	117,735.81
20403149	July 23, 2018 to August 3, 2018	44,283.25	2,214.16	46,497.41	6,044.66	52,542.07
20403264	August 3, 2018 to August 31, 2018	20,065.00	1,003.25	21,068.25	2,738.87	23,807.12
20403359	September 4, 2018 to September 30, 2018	24,041.50	1,202.08	25,243.58	3,281.67	28,525.25
20403449	October 1, 2018 to October 31, 2018	28,995.50	1,449.78	30,445.28	3,957.89	34,403.17
20403537	November 1, 2018 to November 30, 2018	9,961.50	498.08	10,459.58	1,359.75	11,819.33
20403627	December 6, 2018 to December 31, 2018	33,685.50	1,684.28	35,369.78	4,598.08	39,967.86
		<b>Total \$ 515,119.00</b>	<b>\$ 50,024.00</b>	<b>\$ 565,143.00</b>	<b>\$ 73,468.61</b>	<b>\$ 638,611.61</b>

Notes:

(1) Includes Administrative Fees.

(2) Includes some minor fees from May 16-18 (\$520) due to timing of cut-off.

This is Exhibit "B" referred to in the Affidavit of  
Adam Sherman, sworn before me on  
January 16, 2019

  
\_\_\_\_\_  
Commissioner for Taking Affidavits, etc.

*Daniel Robert Chomski, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires March 31, 2020.*

Richter Advisory Group Inc.

Exhibit B

in its capacity as Information Officer of

Relay Blocker, LLC, The Relay Group Holdings, LLC, Relay 1-P Holdings, LLC, Relay Intermediate Holdings, LLC, Relay Class D, LLC, The Relay Group, LLC, The Relay Shoe Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Relay Opco Canada ULC

Statement of accounts

Staff member	Number of hours	Hourly rate	Amount
<b>Senior Vice President</b>			
A.Sherman	338.3	\$ 795.00	\$ 268,948.50
P.van Eyk	16.5	\$ 795.00	\$ 13,117.50
<b>Vice President</b>			
P.Patel	351.0	\$ 650.00	\$ 228,117.50
<b>Associate</b>			
A.Zeldin	2.7	\$ 400.00	\$ 1,080.00
<b>Analyst</b>			
E.Finley	6.5	\$ 300.00	\$ 1,950.00
<b>Administration</b>			
S.Bourgine	0.2	\$ 185.00	\$ 37.00
S.Bourgine	2.6	\$ 200.00	\$ 520.00
C.O'Donnell	4.8	\$ 200.00	\$ 960.00
C.Michaud	2.1	\$ 185.00	\$ 388.50
<b>Total</b>	<b>724.65</b>		<b>\$ 515,119.00</b>
<b>Blended average hourly rate:</b>			
	\$	<b>710.85</b>	

This is Exhibit "C" referred to in the Affidavit of  
Adam Sherman, sworn before me on  
January 16, 2019

A handwritten signature in black ink, appearing to read 'D. Chomski', written over a horizontal line.

Commissioner for Taking Affidavits, etc.

*Daniel Robert Chomski, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires March 31, 2020.*



# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 05/28/2018  
Invoice No.: 20402894  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

Professional services rendered to May 18, 2018 \$ 123,736.00

<b>Sub-Total</b>	123,736.00
<b>Technology and Administrative Fees</b>	6,186.80
GST/HST #885435842 RT0001	16,889.96
<b>Total Due</b>	<b>CAD \$ 146,812.76</b>

TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTREAL

1981 McGill College  
Montreal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

Invoice No.: 20402894  
Date: 05/28/2018

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Fees			
Name	Hours	Rate	Amount
Adam Sherman	102.70	\$ 795.00	\$ 81,646.50
Paul Van Eyk	8.50	795.00	6,757.50
Pritesh Patel	54.30	650.00	35,295.00
Soazig Bourguine	0.20	185.00	37.00
	<hr/>		<hr/>
	165.70		\$ 123,736.00

Invoice No.: 20402894  
Date: 05/28/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
04/25/2018	Adam Sherman Calls with R. Jaipargas re various matters in connection with the engagement. Emails from BLG re retail leases, draft notice of application, draft first day declaration, and form of consent. Emails/call with Stikeman. Emails/discussions with Richter team.	3.50	\$ 795.00	\$ 2,782.50
04/26/2018	Adam Sherman Emails from BLG re PPSA search results, etc. Emails/discussions with Richter team. Emails with Stikeman re various matters. Conference call with BLG and Stikeman. Begin drafting proposed IO report.	4.00	795.00	3,180.00
04/26/2018	Pritesh Patel Update call with BLG and Stikeman re proposed filing in US, relief sought in Canada, timing, etc. Review of background information forwarded by BLG.	1.00	650.00	650.00
04/27/2018	Adam Sherman Emails with BLG re organization chart, BC tax lien, draft first day pleadings. Call with R. Jaipargas re various matters, including information/document needs. Emails/discussions with Richter team. Drafting proposed IO report.	6.00	795.00	4,770.00
04/27/2018	Pritesh Patel Call with A.Sherman re info requirements for pre-filing IO report.	0.50	650.00	325.00
04/30/2018	Adam Sherman Emails/calls with R. Jaipargas of BLG re various matters. Review draft US materials/pleadings and continue drafting proposed IO report.	5.00	795.00	3,975.00
05/01/2018	Adam Sherman Emails/discussions with Richter team re URL, etc. Emails/calls with BLG re URL and other filing matters. Emails with J. Levi of Rockport. Emails with Stikeman re various filing matters. Email from BLG re various DIP (ABL and Notes) docs.	2.50	795.00	1,987.50
05/02/2018	Adam Sherman Emails/call with J. Levi/A. Cefalo of Rockport re cash flows, F/S, etc. Calls with R. Jaipargas/A. Macfarlane of BLG re various matters. Emails with M. Sanaz of HL. Emails from BLG re APA, ABL, etc. Emails/discussions with Richter team.	3.00	795.00	2,385.00
05/02/2018	Pritesh Patel Review of cash flow and call with Rockport team re information requirements. Follow-up call with BLG re next steps.	1.20	650.00	780.00

Invoice No.: 20402894  
Date: 05/28/2018

Date	Name and Description	Hours	Rate	Amount
05/03/2018	Adam Sherman Emails/calls with M. Sanaz re sales process. Emails/discussions with Richter team. Emails/calls with BLG re draft orders/affidavit and other filing matters. Emails from Rockport re financials, etc.	4.00	795.00	3,180.00
05/04/2018	Adam Sherman Emails/calls with BLG re Citizens' security docs and other filing matters. Review AP summary. Review DIP cash flow. Emails/discussions with Richter team.	3.20	795.00	2,544.00
05/04/2018	Pritesh Patel Review of revised CAD internal financials and call with C.Allen of Rockport on same.	1.00	650.00	650.00
05/05/2018	Adam Sherman Discussion with Richter team re DIP cash flow and other filing matters.	0.50	795.00	397.50
05/06/2018	Pritesh Patel Review of DIP cash flow and discussion with A.Sherman on same. Call with R.Olson (A&M) re questions on DIP cash flow and underlying assumptions.	1.50	650.00	975.00
05/07/2018	Adam Sherman Review updated AP summary. Email from BLG re discharge of BC PPSA registration (Crown). Emails/discussion with R. Jaipargas re various filing matters. Discussions with Richter team. Draft report.	5.50	795.00	4,372.50
05/08/2018	Adam Sherman Emails/calls with BLG re various filing matters. Emails/discussions with Richter team. Emails/call with S. Abitan/A. Lockhart, counsel for Citizens re DIP and other filing matters. Review draft First Day pleadings. Continue drafting report.	4.00	795.00	3,180.00
05/08/2018	Pritesh Patel Call with BLG to discuss first day orders, including proposed DIP charge. Follow-up call with A.Sherman on next steps.	1.50	650.00	975.00
05/09/2018	Adam Sherman Emails from BLG providing security docs, revised APA, revised affidavit, Declaration, ABL DIP docs, Notes DIP docs, DIP cash flow (including updates), notice of application, initial/supplemental orders. Calls/emails with BLG re filing docs/other matters.	4.50	795.00	3,577.50
05/09/2018	Adam Sherman	3.50	795.00	2,782.50

Invoice No.: 20402894  
 Date: 05/28/2018

Date	Name and Description	Hours	Rate	Amount
	<p>Emails/call with Osler re DIP considerations/cash flow enquiries. Emails/calls with Stikeman re various filing matters/comments on materials. Conference call with various counsel re DIP considerations. Emails/discussions with Richter team.</p>			
05/09/2018	<p>Pritesh Patel            Update call with Stikeman. Call with BLG and Stikeman to discuss proposed DIP charge and cash management. Review of draft materials from BLG, including affidavit, draft DIP Order, and revised CFs. Call with Canadian counsels to discuss DIP Order.</p>	7.80	650.00	5,070.00
05/10/2018	<p>Adam Sherman            Emails from Oslers re ABL DIP requirements. Emails from Goodmans re Noteholder DIP requirements. Numerous emails/calls with BLG and Stikeman re DIP requirements. Emails/discussions with Richter team. Emails from BLG re revised materials. Draft report.</p>	6.50	795.00	5,167.50
05/10/2018	<p>Pritesh Patel            Drafting email to counsel and BLG re financials for Canada and inventory management. Review of draft APA. Calls with Rockport re inventory receipts and roll-forward for Canada. Discussions with A.Sherman and calls with Stikeman and BLG re DIP Charge.</p>	7.50	650.00	4,875.00
05/11/2018	<p>Adam Sherman            Numerous emails/calls with BLG/Stikeman re ABL/Noteholder DIP considerations. Emails/discussions with Richter team. Email from Houlihan Lokey providing ABL/Sale Proceeds allocation analysis, including calls with Houlihan Lokey/BLG/Stikeman re same.</p>	4.00	795.00	3,180.00
05/11/2018	<p>Adam Sherman            Several emails/calls with Osler re DIP considerations. Emails with various counsel re comments on initial/supplemental orders. Email from BLG re Manitoba Finance payment. Draft, review, update report.</p>	5.00	795.00	3,975.00
05/11/2018	<p>Pritesh Patel            Call with A&amp;M re DIP CF. Correspondence with Rockport team re inventory receipts forecast. Numerous discussions with A.Sherman and calls with Stikeman and BLG re DIP Charge and Noteholder proposals.</p>	4.50	650.00	2,925.00
05/12/2018	<p>Adam Sherman</p>	1.50	795.00	1,192.50

Invoice No.: 20402894  
Date: 05/28/2018

Date	Name and Description	Hours	Rate	Amount
	Emails/calls with L. Pilon and R. Jaipargas re DIP and ABL allocation considerations. Conference calls with CAN/US counsel for Rockport, Citizens and Noteholders and Stikeman re DIP and ABL allocation consideration.			
05/12/2018	Adam Sherman Call with L. Pilon/S. Abitan re DIP and ABL allocation. Emails from various counsel re agreement on DIP and ABL allocation language/process. Email from BLG re revised DIP credit agreement. Emails/discussions with Richter team. Review and update report.	3.00	795.00	2,385.00
05/12/2018	Pritesh Patel Review of various emails re DIP Charge and call with A.Sherman on same.	1.20	650.00	780.00
05/13/2018	Adam Sherman Emails from R. Jaipargas re updated application materials, intercompany debt, etc. Emails from BLG re revised Declaration and revised Affidavit. Emails with BLG/Stikeman re sale guidelines. Review and update report. Emails with Richter team.	5.00	795.00	3,975.00
05/14/2018	Paul Van Eyk Review and comments on IO report. Discussions with Richter team on outstanding issues.	5.00	795.00	3,975.00
05/14/2018	Adam Sherman Email from BLG re final Declaration. Emails/calls with L. Pilon/R. Jaipargas re allocation agreement noted in Declaration. Update/sign consent, including email to BLG re same. Email from BLG re further revised Affidavit.	2.00	795.00	1,590.00
05/14/2018	Adam Sherman Review, update report. Emails/discussions with Richter team. Email to Stikeman re report. Emails from Stikeman re comments on report. Emails with S. Abitan. Emails from BLG attaching US filing docs. Further updates to report.	5.50	795.00	4,372.50
05/14/2018	Adam Sherman Review updated DIP budget. Emails from Stikeman providing draft opinions (Ontario/Quebec) re Citizens. Email from BLG re updated Rockport Canada creditor info. Calls with L. Pilon/R. Jaipargas re various matters.	2.00	795.00	1,590.00
05/14/2018	Pritesh Patel	7.00	650.00	4,550.00

Invoice No.: 20402894  
Date: 05/28/2018

Date	Name and Description	Hours	Rate	Amount
	Review and edits to draft of IO report from A.Sherman. Review of First Day Declarations, revised Affidavit and revised DIP CF, and update IO report. Numerous calls with counsel and BLG re materials, Orders and First Day Motions.			
05/15/2018	Paul Van Eyk Review and comments on revised IO report.	1.00	795.00	795.00
05/15/2018	Adam Sherman Emails/calls with R. Jaipargas/L. Pillon re various filing matters. Emails from BLG providing revised initial/supplemental orders and affidavit, including emails from counsel providing comments on same. Email with BLG re newspaper notice.	2.00	795.00	1,590.00
05/15/2018	Adam Sherman Review/update report, including emails with Stikeman re same. Emails/call with BLG re report and initial/supplemental orders. Emails/discussions with Richter team. Attendance on Court call re US First Day Hearing.	5.00	795.00	3,975.00
05/15/2018	Adam Sherman Email from BLG re service of Application Record, etc. Emails/call with D. Bish. Further updates to report, including emails with various counsel re same.	2.50	795.00	1,987.50
05/15/2018	Pritesh Patel Continuing review and edits to IO report. Call with BLG on affidavit. Circulate draft of report to BLG and edits to report based on comments. Attendance on court call for First Day Motions. Edits to IO report based on comments from Stikeman.	10.00	650.00	6,500.00
05/16/2018	Soazig Bourguine Email to Niwri Media re Newspaper Ad.	0.20	185.00	37.00
05/16/2018	Paul Van Eyk Attendance in court. Review of materials. Discussions with Richter team.	2.00	795.00	1,590.00
05/16/2018	Adam Sherman Emails with Goodmans re report. Emails/calls with R. Jaipargas re report. Emails/discussions with Richter team. Update and finalize report, including emails/calls with Stikeman re same. Email from D. Bish re landlord concerns and other matters.	3.50	795.00	2,782.50
05/16/2018	Adam Sherman	3.00	795.00	2,385.00

Invoice No.: 20402894  
Date: 05/28/2018

Date	Name and Description	Hours	Rate	Amount
05/16/2018	Email from Stikeman re service of IO report. Emails/calls with R. Jaipargas re initial/supplemental orders. Attendance in Court re recognition hearing, including discussions with various counsel. Emails/calls with R. Jaipargas re next steps. Pritesh Patel Review of comments from Goodmans on IO report. Review and edits to report based on comments from Stikeman. Calls with Stikeman and BLG re Orders and concerns raised by landlords' counsel. Finalize and sign IO report. Attendance in Court.	6.00	650.00	3,900.00
05/17/2018	Paul Van Eyk Discussion with A.Sherman re: various matters.	0.50	795.00	397.50
05/17/2018	Adam Sherman Emails/calls with R. Jaipargas re various matters, including retail leases and ABL allocation considerations. Emails/discussions with Richter team re various matters.	1.50	795.00	1,192.50
05/17/2018	Pritesh Patel Review and comments on newspaper ad, and email to BLG on same. Coordinate posting of materials, orders and report to website. Call with A.Sherman re proposed liability ABL allocation and preparation of preliminary info request list.	3.20	650.00	2,080.00
05/18/2018	Adam Sherman Emails/calls with L. Pillon and R. Jaipargas re ABL allocation considerations. Emails/discussions with Richter team re ABL allocation. Draft email to BLG re info required to assess the ABL allocation, including email to L. Pillon re same.	1.50	795.00	1,192.50
05/18/2018	Pritesh Patel Review of email from BLG re proposed ABL liability allocation. Review of draft response from A.Sherman on same.	0.40	650.00	260.00
<b>Fees Total</b>		<b>165.70</b>		<b>\$ 123,736.00</b>



Invoice No.: 20402894  
Date: 05/28/2018

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### Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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### Invoice Summary

Sub-Total		<b>\$ 123,736.00</b>
Technology and Administrative Fees		6,186.80
GST/HST #885435842 RT0001		16,889.96
<b>Total Due</b>	<b>CAD</b>	<b>\$ 146,812.76</b>

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### Payment Options

**Wire Transfer**      Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR  
  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques**      Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 07/04/2018  
Invoice No.: 20403008  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

Professional services rendered to June 22, 2018 \$ 131,121.25

Disbursements 24,268.03

**Sub-Total** 155,389.28

**Technology and Administrative Fees** 6,556.06

GST/HST #885435842 RT0001 21,052.90

**Total Due** CAD **\$ 182,998.24**

## TORONTO

Richter Advisory Group Inc.  
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## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

Invoice No.: 20403008  
Date: 07/04/2018

Fees			
Name	Hours	Rate	Amount
Adam Sherman	82.00	\$ 795.00	\$ 65,190.00
Carol O'Donnell	3.20	200.00	640.00
Eric Finley	3.50	300.00	1,050.00
Paul Van Eyk	4.75	795.00	3,776.25
Pritesh Patel	92.50	650.00	60,125.00
Soazig Bourguine	1.70	200.00	340.00
	187.65		\$ 131,121.25
Disbursements			
Disbursements			\$ 24,268.03
			\$ 24,268.03

Invoice No.: 20403008  
Date: 07/04/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
05/16/2018	Carol O'Donnell Discussions with P. Patel. Review of newspaper ad.	0.50	\$ 200.00	\$ 100.00
05/17/2018	Carol O'Donnell Post documents to the website. Review newspaper ad, make several updates. Communications with Niwri re ad.	1.80	200.00	360.00
05/18/2018	Carol O'Donnell Review final proof of newspaper ad, forward to A. Sherman for approval. Forward to Niwri.	0.30	200.00	60.00
05/20/2018	Adam Sherman Emails from/to L. Pillon re email to BLG on proposed ABL allocation.	0.50	795.00	397.50
05/22/2018	Soazig Bourguine Website posting (French).	0.50	200.00	100.00
05/22/2018	Paul Van Eyk Discussion with A. Sherman re update.	0.25	795.00	198.75
05/22/2018	Adam Sherman Emails/calls with Stikeman re Ontario/Quebec security opinions and other matters. Emails/calls with BLG re various matters. Email to BLG (and others) re info required to assess proposed ABL allocation, etc. Emails/discussions with Richter team.	3.50	795.00	2,782.50
05/22/2018	Pritesh Patel Respond to creditor inquiries re status of CCAA proceedings. Calls with CRA re outstanding HST/GST for Rockport Canada, review of Sales Taxes Order. Emails to BLG and Debtors re HST and call with BLG on same. Review draft email re allocation.	2.80	650.00	1,820.00
05/23/2018	Adam Sherman Emails/calls with R. Jaipargas and L. Pillon re Edmonton lease and other matters. Emails/discussions with Richter team.	1.50	795.00	1,192.50
05/23/2018	Pritesh Patel Call with BLG re service and information requests from IO re allocation issue. Email to BLG and Stikeman re confirmation of publication of notice in Globe & Mail.	0.50	650.00	325.00
05/24/2018	Adam Sherman Emails/calls with BLG/Stikeman re meeting with landlord counsel and other matters. Emails from D. Bish/L. Galessiere re landlord meeting. Emails/discussions with Richter team.	1.00	795.00	795.00
05/24/2018	Pritesh Patel	0.30	650.00	195.00

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
	Call with CRA in response to email on proposed audit of HST and payroll accounts. Correspondence with Rockport and CRA on same.			
05/25/2018	Adam Sherman Email from D. Bish attaching landlord side agreement. Emails/calls with BLG/Stikeman re landlord side agreement/other matters. Email from BLG re CRA/importing issues. Email from BLG re lien registered against Edmonton store. Discussions with Richter team.	2.60	795.00	2,067.00
05/27/2018	Adam Sherman Emails from BLG re landlord agreement.	0.20	795.00	159.00
05/28/2018	Carol O'Donnell Prepare retainer invoice.	0.20	200.00	40.00
05/28/2018	Adam Sherman Emails/calls with R. Jaipargas re various matters. Meeting with BLG, Stikeman and landlord counsel re store closing motion/sale guidelines, ABL allocation, etc. Emails/discussions with Richter team. Emails from BLG re Edmonton lease, service list, etc.	3.50	795.00	2,782.50
05/28/2018	Pritesh Patel Meeting at BLG offices with counsel to various landlords. Discussion with BLG re upcoming motion. Responding to inquiry from creditor re repossession of goods and call on same.	2.50	650.00	1,625.00
05/29/2018	Soazig Bourguine Website posting (Service List).	0.20	200.00	40.00
05/29/2018	Adam Sherman Email from BLG re revised landlord agreement. Emails with BLG re retention of liquidation consultant. Emails/discussions with Richter team. Emails from/to Stikeman re landlord list/schedule, recognition of June 5th orders, etc. Email from BLG re CRA.	2.00	795.00	1,590.00
05/29/2018	Adam Sherman Emails/calls with R. Jaipargas re various matters. Emails from HL providing access to data room with info to help the IO assess the proposed ABL allocation, including preliminary review of certain info.	1.50	795.00	1,192.50
05/29/2018	Pritesh Patel Review of Prime Clerk site and motion materials for appointment of liquidator, bidding procedures, sale guidelines, etc. Begin drafting IO's First Report in connection with June 7 hearing. Calls and emails with CRA and Rockport re customs/HST issues.	8.00	650.00	5,200.00

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
05/30/2018	Adam Sherman Emails from BLG re scheduling of recognition hearing (June 5 motions). Emails/calls with R. Jaipargas re various matters. Preliminary review of data room info re ABL allocation. Emails/discussions with Richter team.	3.00	795.00	2,385.00
05/30/2018	Adam Sherman Email from HL re additonal info added to data room. Emails/cail with Stikeman re data room info, ABL allocation, etc. Email from Stikeman re invoice for period ending 5/16/2018.	1.00	795.00	795.00
05/30/2018	Pritesh Patel Review of responses and documentation from dataroom, tracking of questions/comments and outstanding information needed. Analysis of potential lease claims and discussions with A.Sherman on same.	9.00	650.00	5,850.00
05/31/2018	Paul Van Eyk Discussion with Richter team re allocation issue and other matters.	1.00	795.00	795.00
05/31/2018	Adam Sherman Emails from Stikeman/BLG re landlord agreement. Emails/discussions with R. Jaipargas. Review HL info in data room re ABL allocation. Emails/discussions with Richter team. Call with L. Pillion and Richter team re ABL allocation and upcoming call re same.	4.00	795.00	3,180.00
05/31/2018	Adam Sherman Call with Stikeman/BLG/Rockport/RLF/HL re ABL allocation. Follow up calls with L. Pillion/R. Jaipargas. Discussion with P. Patel re additional info requests, etc. Emails/discussions with L. Pillion/R. Jaipargas re draft term sheet for ABL allocation.	2.00	795.00	1,590.00
05/31/2018	Pritesh Patel Continued review of information in dataroom in advance of call with HL/A&M/Rockport. Multiple discussions with A.Sherman and Stikeman re allocation, waterfall analysis, working capital schedules. Attendance on call and follow-up email re info.	8.00	650.00	5,200.00
06/01/2018	Adam Sherman Emails with BLG re Edmonton lien claim. Emails/discussions with Richter team. Emails/calls with R. Jaipargas/L. Pillion/P. Patel re rescheduling of store closing motion. Emails/calls with L. Pillion/P. Patel re draft term sheet for ABL allocation.	2.50	795.00	1,987.50

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
06/01/2018	Pritesh Patel Continue drafting IO Report. Review of employee data from HL. Discussion with E. Finley re lease and employee claim schedules. Call with HL on liquidation analysis and outstanding info. Review of draft term sheet and discussion with A.Sherman on same.	4.50	650.00	2,925.00
06/01/2018	Eric Finley Review/assess potential employee claims, including discussion with P. Patel. Review leasing claims and update P. Patel. Provide comments and discuss findings.	3.50	300.00	1,050.00
06/04/2018	Soazig Bourguine Email Niwri Media re invoicing for ad.	0.10	200.00	20.00
06/04/2018	Adam Sherman Emails/calls with L. Pillon and R. Jaipargas re revised allocation agreement. Call with R. Jaipargas re extension to objection deadline for Final DIP Order and other matters. Email to BLG re banking info (lien claim). Emails/discussions with Richter team.	2.50	795.00	1,987.50
06/04/2018	Pritesh Patel Review of revised allocation proposal and discussions with A. Sherman on same. Respond to inquiries from CRA and Cominar re status of CCAA proceedings. Review of employee vacation schedule, April inventory report. Review docs on Prime Clerk.	3.20	650.00	2,080.00
06/05/2018	Adam Sherman Emails with Stikeman and landlord counsel re revised allocation agreement/Final DIP Order objection deadline, including call with R. Jaipargas re same. Attend on Court call re Bidding Procedures Motion. Emails with Stikeman re security review.	3.50	795.00	2,782.50
06/05/2018	Adam Sherman Email from RLF re extension of objection deadline for Final DIP Order. Call with US counsel re background, status of administration, objection to Final DIP Order. Emails/call with Stikeman re objection.	1.50	795.00	1,192.50
06/05/2018	Pritesh Patel Call with BLG re allocation proposal. Meeting with Stikeman to revise allocation proposal. Attendance on Court call for US Bidding Procedures Motion. Call with US counsel re Final DIP Motion.	3.80	650.00	2,470.00
06/06/2018	Carol O'Donnell Prepare PO for Niwri.	0.20	200.00	40.00
06/06/2018	Paul Van Eyk	0.50	795.00	397.50

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
	Discussion with A. Sherman and P. Patel re objection to Final DIP Order.			
06/06/2018	Adam Sherman Review Woble (US counsel) engagement letter. Calls from creditors. Conference call with Stikeman/Womble re Final Dip Order, objection and other matters. Emails/discussions with Richter team. Calls with R. Jaipargas re allocation agreement/other matters.	3.50	795.00	2,782.50
06/06/2018	Adam Sherman Emails from Womble re various matters in connection with the IO objection. Email from Stikeman re summary of facts re ABL/Noteholder allocation issues and IO objection. Emails from BLG re Edmonton retail lease, Court scheduled for 6/14/2018, etc.	1.00	795.00	795.00
06/06/2018	Pritesh Patel Review of material prepared by Stikeman re Final DIP Order/IO objection, etc. Call with US counsel and Stikeman re Final DIP Motion. Drafting of IO's First Report for June 14 hearing.	3.50	650.00	2,275.00
06/07/2018	Adam Sherman Emails/calls with R. Jaipargas and L. Pillon re allocation agreement, objection, draft settlement, etc. Emails with Stikeman/Womble re objection. Conference call with Stikeman, Rockport and its advisors re allocation agreement, proposed settlement, etc.	3.00	795.00	2,385.00
06/07/2018	Adam Sherman Conference call with Womble/Stikeman re objection. Email from Stikeman summarizing recent/upcoming US orders/motions. Email from Womble re draft objection. Emails/discussions with Richter team.	3.00	795.00	2,385.00
06/07/2018	Pritesh Patel Call with BLG re allocation issue. All parties call with Rockport/RLF/HL/BLG re allocation issue.	1.50	650.00	975.00
06/08/2018	Paul Van Eyk Discussion with A. Sherman.	0.50	795.00	397.50
06/08/2018	Adam Sherman Emails/calls with L. Pillon re comments on draft objection, etc. Emails/calls with R. Jaipargas. Emails/calls with Womble/Stikeman re draft objection. Emails/discussions with Richter team.	2.50	795.00	1,987.50
06/08/2018	Adam Sherman	1.50	795.00	1,192.50



Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
06/08/2018	Email from Womble re revised objection, including subsequent emails/calls with Stikeman/Womble to finalize same. Email from Womble confirming filing of objection. Email to landlord counsel re IO objection. Pritesh Patel Review and edits to draft objection materials and discussion with A. Sherman on same. Call with Womble and Stikeman on objection, review of revised draft and follow-up calls to revise and finalize.	5.20	650.00	3,380.00
06/10/2018	Adam Sherman Emails/call with L. Pillon re proposed settlement of ABL allocation. Email from Stikeman re UCC objection. Email from L. Pillon re her discussion with Noteholder counsel. Email from BLG re proposal to settle ABL allocation. Emails/call with R. Jaipargas.	1.50	795.00	1,192.50
06/10/2018	Pritesh Patel Review of various motions filed on Prime Clerk in support of First Report. Continue drafting IO report.	4.00	650.00	2,600.00
06/11/2018	Adam Sherman Email from BLG re draft notice of motion/orders for June 14 CAN Court attendance. Emails/calls with L. Pillon re various matters. Conference call with Stikeman and counsel for certain landlords re allocation issue and IO objection.	2.00	795.00	1,590.00
06/11/2018	Adam Sherman Email from BLG re draft affidavit re June 14 motion. Emails with L. Pillon re proposed settlement of allocation agreement. Emails/calls with R. Jaipargas. Conference call with Stikeman/Womble re planning for US hearing. Emails from Woble re US hearing.	2.20	795.00	1,749.00
06/11/2018	Adam Sherman Emails with L. Pillon re communications with Noteholder counsel. Email from Stikeman re comments on draft orders. Emails/calls with Stikeman re US hearing. Email from Womble re UCC objection.	0.80	795.00	636.00
06/11/2018	Pritesh Patel Review of UCC objection. Review of Notice, Order and draft affidavit re drafting of IO report. Call with counsel to Canadian landlords re IO objection. Call with Womble re DIP hearing. Call with Stikemans re proposal and edits on same.	8.50	650.00	5,525.00
06/12/2018	Adam Sherman	2.30	795.00	1,828.50

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
	Emails/calls with R. Jaipargas and L. Pillon re US hearing. Emails/discussions with Richter team. Emails with Stikeman/Womble re terms of Final DIP Order. Review Rockport reply and declaration in support of ABL allocation/Final DIP Order.			
06/12/2018	Adam Sherman Emails with Stikeman/landlord counsel re US hearing. Emails with Womble re Rockport filing of revised reply. Review reply filed by Noteholders. Email from BLG re revised Notice of Motion/Orders. Email from BLG re landlord agreement.	1.20	795.00	954.00
06/12/2018	Adam Sherman Travel to Delaware re US hearing, including attendance at Womble office to prepare for same. Conference call with Stikeman, Womble, Rockport and its advisors re ABL allocation/Final DIP Order.	4.00	795.00	3,180.00
06/12/2018	Pritesh Patel Review of Debtors reply and declaration. Review of Noteholders reply. Review of motions for recognition, drafting of IO's report. Meeting at Womble office re hearing prep. Call with various counsel re settlement/changes to DIP Order.	7.20	650.00	4,680.00
06/13/2018	Paul Van Eyk Discussion with A. Sherman.	0.75	795.00	596.25
06/13/2018	Adam Sherman Emails from BLG re June 14 CAN Court attendance, updated service list and other matters. Preparation for/attendance at US hearing re IO objection to ABL allocation/Final DIP Order, including discussions with various counsel in attendance.	5.50	795.00	4,372.50
06/13/2018	Adam Sherman Emails/discussions with Richter team. Emails with Stikeman/Womble re various matters. Review, revise, update IO report. Emails with BLG/Stikeman re IO report. Calls with R. Jaipargas.	3.50	795.00	2,782.50
06/13/2018	Pritesh Patel Review of affidavit and continue drafting of IO report. Prep at Womble offices. Attendance in DE Court, meeting at RLF with counsel to Debtors/Notes. Update report based on comments from A. Sherman and Stikeman. Finalize draft and circulate to BLG.	12.00	650.00	7,800.00
06/14/2018	Soazig Bourguine Website posting (report, motion, factum, BOA, order, endorsement).	0.70	200.00	140.00

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
06/14/2018	Paul Van Eyk Discussion with A. Sherman.	1.00	795.00	795.00
06/14/2018	Adam Sherman Emails/calls with R. Jaiparags and L. Pillon re IO report. Emails/discussions with Richter team. Review/finalize IO report. Attendance in CAN Court re recognition hearing, including discussions with counsel. Email from BLG re issued order/endorsement.	3.00	795.00	2,385.00
06/14/2018	Pritesh Patel Edits to IO report based on comments from BLG. Compile appendices, finalize and sign report. Attendance in Ontario Court for recognition orders.	2.50	650.00	1,625.00
06/15/2018	Adam Sherman Email from RLF re reconvening of US Final DIP hearing, including emails with Stikeman/Womble re same. Emails/discussions with Richter team. Emails with L. Pillon re communications with Noteholder counsel re potential settlement. Calls with R. Jaipargas.	1.00	795.00	795.00
06/18/2018	Soazig Bourguine Website posting.	0.20	200.00	40.00
06/18/2018	Paul Van Eyk Review of US proceedings with A. Sherman and P. Patel.	0.50	795.00	397.50
06/18/2018	Adam Sherman Emails with Stikeman/Womble re US Court decision on ABL allocation/Final DIP Order. Review transcript of US Court decision. Emails/discussions with Richter team. Emails/call with R. Jaipargas.	1.00	795.00	795.00
06/18/2018	Pritesh Patel Attendance on Court call re US Court decision on Final DIP Motion and review of transcript on same. Discussion with Stikeman on next steps. Respond to inquiry from landlord re status of proceedings and call on same.	1.80	650.00	1,170.00
06/19/2018	Paul Van Eyk Discussion with A. Sherman.	0.25	795.00	198.75
06/19/2018	Adam Sherman Emails/calls with R. Jaipargas. Emails/discussions with Richter team.	0.50	795.00	397.50
06/19/2018	Pritesh Patel Correspondence with CRA re HST audit. Review of statement of account received from CRA.	0.80	650.00	520.00
06/20/2018	Carol O'Donnell	0.20	200.00	40.00

Invoice No.: 20403008  
Date: 07/04/2018

Date	Name and Description	Hours	Rate	Amount
	Complete banking forms to set up Vendor with Rockport.			
06/20/2018	Adam Sherman Emails/calls with R. Jaipargas re Edmonton lease, bid deadline and other matters. Emails with Stikeman. Emails/discussions with Richter team. Email from L. Galessiere re registration of additional lien re Edmonton lease.	1.20	795.00	954.00
06/20/2018	Pritesh Patel Call with CRA re statement of account. Call with BLG re status and next steps. Email to various counsel re HST.	1.40	650.00	910.00
06/21/2018	Adam Sherman Email from BLG re additional Edmonton lease lien claim. Emails/calls with R. Jaipargas. Emails/discussions with Richter team.	0.50	795.00	397.50
06/21/2018	Pritesh Patel Respond to email from Rockport team re statement of account for HST.	0.10	650.00	65.00
06/22/2018	Adam Sherman Emails/call with R. Jaipargas. Emails with Stikeman/BLG re reinstatement of bid deadline and other matters. Review additional info provided by Rockport - borrowing base certs, working capital schedule, DIP budget.	1.00	795.00	795.00
06/22/2018	Pritesh Patel Review of notice re bid deadline. Review of weekly CF reporting for US and Canada. Preliminary review of new BB, CF and WC docs posted to dataroom.	1.40	650.00	910.00
<b>Fees Total</b>		<b>187.65</b>		<b>\$ 131,121.25</b>

Date	Name and Description	Hours	Rate	Amount
06/12/2018	Disbursements Travel/Accommodation re US hearing			\$ 3,461.12
05/30/2018	Disbursements Advertisement re Notice of Chapter 11 Proceedings			20,806.91
<b>Disbursements Total</b>				<b>\$ 24,268.03</b>

Invoice No.: 20403008  
Date: 07/04/2018

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**Remittance Form**

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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**Invoice Summary**

<b>Sub-Total</b>	<b>\$ 155,389.28</b>
<b>Technology and Administrative Fees</b>	6,556.06
GST/HST #885435842 RT0001	21,052.90
<b>Total Due</b>	<b>CAD \$ 182,998.24</b>

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**Payment Options**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

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**CHICAGO**

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RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 07/31/2018  
Invoice No.: 20403099  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

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Professional services rendered to July 20, 2018 \$ 99,229.50

<b>Sub-Total</b>		99,229.50
<b>Technology and Administrative Fees</b>		4,961.48
GST/HST #885435842 RT0001		13,544.83
<b>Total Due</b>	<b>CAD</b>	<b>\$ 117,735.81</b>

TORONTO

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Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTREAL

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1991 McGill College  
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CHICAGO

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200 South Wacker, #3100  
Chicago IL 60606  
312.828.0900

RICHTER.CA

Invoice No.: 20403099  
Date: 07/31/2018

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Fees			
Name	Hours	Rate	Amount
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Adam Sherman	69.10	\$ 795.00	\$ 54,934.50
Cindy Michaud	1.00	185.00	185.00
Pritesh Patel	67.80	650.00	44,070.00
Soazig Bourguine	0.20	200.00	40.00
	<hr/>		<hr/>
	138.10		\$ 99,229.50

Invoice No.: 20403099  
Date: 07/31/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
06/26/2018	Adam Sherman Emails with Stikeman. Call with L. Pillon re Sale Order, objection deadline, etc. Emails/calls with R. Jaipargas re Sale Order, objection deadline, etc. Emails/discussions with Richter team.	1.50	\$ 795.00	\$ 1,192.50
06/27/2018	Adam Sherman Emails/calls (including conference call) with L. Pillon/R. Jaipargas re Sale Order and objection deadline, Final DIP Order, etc. Emails with Womble re Sale Order, Final DIP Order, etc. Email to Rockport re professional fees. Emails with Richter team.	2.50	795.00	1,987.50
06/28/2018	Soazig Bourguine Website posting and efilings CCAA.	0.20	200.00	40.00
06/28/2018	Adam Sherman Emails with BLG re updated service list. Emails/calls (including conference call with R. Jaipargas/L. Pillon re Final DIP Order and Supplement. Emails with Richter team. Email from Houlihan Lokey re preliminary views on value allocation to Canada.	2.50	795.00	1,987.50
06/28/2018	Adam Sherman Emails/conference call with Rockport and its counsel, counsel for ABL/Noteholders, Stikeman and Womble re Final DIP Order/Supplement. Emails/calls with Stikeman/Womble re revisions to Final DIP Order, including subsequent emails re final form of Order.	2.50	795.00	1,987.50
06/29/2018	Adam Sherman Conference call with Stikeman and counsel for certain landlords re update. Email from BLG re Final DIP Order. Email from Houlihan Lokey re revised Canadian allocation considerations.	1.50	795.00	1,192.50
07/03/2018	Adam Sherman Emails with Stikeman/Womble re US sale approval motion. Emails with BLG/Stikeman confirming no bids received. Call with Stikeman. Emails/discussions with Richter team. Review cashflow report for week ending 6/23/2018. Emails/calls with R. Jaipargas.	2.50	795.00	1,987.50
07/03/2018	Pritesh Patel Discussion with A.Sherman re sale motion.	0.50	650.00	325.00
07/04/2018	Adam Sherman Emails/calls with R. Jaipargas/L. Pillon re IO concerns with US Sale Order. Emails with Stikeman re cashflow, ABL allocation, etc. Discussions with Richter team.	1.50	795.00	1,192.50



Invoice No.: 20403099  
Date: 07/31/2018

Date	Name and Description	Hours	Rate	Amount
07/05/2018	Adam Sherman Emails/calls with BLG/RLF/Stikeman re IO concerns with US Sale Order, including extension to objection deadline. Emails/discussions with Richter team. Emails/calls with BLG/Stikeman re omnibus lease rejection motion.	2.50	795.00	1,987.50
07/05/2018	Pritesh Patel Review of Omnibus Lease Rejection and Claims Bar motions.	1.20	650.00	780.00
07/06/2018	Adam Sherman Emails with Womble/Stikeman re construction liens. Email from Womble re claims bar motion. Calls with R. Jaipargas. Emails with Stikeman re US motions to be recognized in CAN. Email from D. Bish re lease rejections. Emails/discussions with Richter team.	2.50	795.00	1,987.50
07/06/2018	Pritesh Patel Review of weekly CF reporting from A&M. Review of materials and preparation of waterfall analysis for Canada.	4.50	650.00	2,925.00
07/09/2018	Adam Sherman Emails with Stikeman re comments on notice of motion (returnable June 20). Emails with Stikeman/BLG re sale order. Review IO assessment of value of Canadian assets/waterfall, including emails/discussions with Richter team re same.	2.50	795.00	1,987.50
07/09/2018	Adam Sherman Email from BLG re updated notice of motion returnable June 20. Emails with L. Pillon re her communications with Noteholder counsel. Calls with R. Jaipargas re various matters.	1.50	795.00	1,192.50
07/09/2018	Pritesh Patel Finalize draft of Canada waterfall analysis and discussions with A.Sherman on same.	2.00	650.00	1,300.00
07/10/2018	Adam Sherman Emails/calls with R. Jaipargas and L. Pillon re sale approval order, including extension of IO's opposition deadline. Email from BLG re change to relief sought at June 20 motion. Emails/call with Stikeman re IO's assessment of value of Canadian assets.	2.50	795.00	1,987.50
07/10/2018	Adam Sherman	2.50	795.00	1,987.50

Invoice No.: 20403099  
Date: 07/31/2018

Date	Name and Description	Hours	Rate	Amount
	Review Reebok/Adidas sale objection, including emails/calls with with Stikeman/Womble/BLG re same. Review revised/updated assessment of value of Canadian assets, including emails/calls with Stikeman/BLG re same. Emails with Houlihan Lokey.			
07/10/2018	Pritesh Patel Call with Stikeman to review waterfall analysis and next steps. Review of supporting documentation and revisions to waterfall analysis based on comments. Drafting IO's Second Report and review of materials on US docket.	7.00	650.00	4,550.00
07/11/2018	Adam Sherman Emails/discussions with Stikeman re US Court hearing re Reebok/Adidas. Emails with Womble/Stikeman re IO reservation of rights re sale approval order, including filing of same. Emails with Stikeman re communications with Noteholder counsel.	1.60	795.00	1,272.00
07/11/2018	Adam Sherman Emails/discussions with Richter team re proposal to settle allocation issues. Emails/discussions with Stikeman re IO proposal to settle allocation issues. Email/discussion with D. Bish re IO proposal to settle allocation issues.	3.00	795.00	2,385.00
07/11/2018	Adam Sherman Email from BLG re draft notice of motion, order and factum re June 20 motion.	0.50	795.00	397.50
07/11/2018	Pritesh Patel Review of IO reservation of rights. Call with Houlihan Lokey re allocation analysis, and call with A.Sherman, L.Pillon on same. Review and edits to allocation proposal and calls on same. Review of motion materials. Call with Stikeman re Adidas complaint.	7.00	650.00	4,550.00
07/12/2018	Adam Sherman Emails with L. Pillon re her communications with Noteholder counsel. Update IO proposal to settle allocation issues, including emails/calls with Richter team/Stikeman/Torys re same. Emails/call with R. Jaipargas re IO proposal to settle allocation issues.	3.00	795.00	2,385.00
07/12/2018	Adam Sherman Review variance analysis for period ending 7/7/2018, including emails/discussions with Richter team and Stikeman re same. Emails/calls with R. Jaipargas re IO proposal, liquidity concerns, etc. Emails/call with L. Pillon re call with R. Jaipargas.	3.00	795.00	2,385.00

Invoice No.: 20403099  
Date: 07/31/2018

Date	Name and Description	Hours	Rate	Amount
07/12/2018	Pritesh Patel Continue drafting IO Second Report. Numerous calls and discussions with Stikeman, Torys and BLG re allocation proposal. Review and edits to revised proposal. Review balance sheet info uploaded to dataroom. Review of CF reporting, comments on same.	7.50	650.00	4,875.00
07/13/2018	Adam Sherman Emails/call with R. Jaipargas re IO proposal, liquidity concerns, etc. Emails with Stikeman re BLG factum (July 20 motion). Emails/calls with Richter team. Emails/calls with L. Pillon re discussions with R. Jaipargas on IO proposal/liquidity concerns.	2.00	795.00	1,590.00
07/13/2018	Adam Sherman Emails/calls with L. Pillon re communications with Noteholder counsel re liquidity concerns and stipulation accessing ringfenced cash in Canada and other matters in connection with same.	1.00	795.00	795.00
07/13/2018	Pritesh Patel Preparation of Rockport Canada cash analysis and discussion with A.Sherman on same. Correspondence re allocation proposal. Continue drafting IO Second Report, review information on US docket.	4.00	650.00	2,600.00
07/14/2018	Adam Sherman Emails/calls with L. Pillon/P. Patel re Company liquidity issue and other matters. Emails from RLF/Debevoise. Review updated DIP budget. Emails with R. Jaipargas.	2.50	795.00	1,987.50
07/14/2018	Pritesh Patel Call with Stikeman re liquidity issues and discussions with Noteholder counsel.	0.80	650.00	520.00
07/15/2018	Adam Sherman Emails with Stikeman/Womble re liquidity issue, protection for Canadian funds, etc. Conference call with HL re revised DIP budget. Email from BLG attaching draft affidavit re July 20 motion. Emails/call with L. Pillon/P. Patel.	2.00	795.00	1,590.00
07/15/2018	Adam Sherman Conference call with the Company and its counsel/advisors, Notes counsel, Stikeman, Womble re liquidity issue, including emails among all parties re Stipulation. Emails with Stikeman/Womble re Stipulation.	2.50	795.00	1,987.50
07/15/2018	Pritesh Patel	6.00	650.00	3,900.00

Invoice No.: 20403099  
Date: 07/31/2018

Date	Name and Description	Hours	Rate	Amount
	Review of revised CF for US and Canada, including comparison to 6/30 forecast. Numerous emails with Stikeman re stipulation. Call with HL and A&M to discuss CF forecast. Attendance on all parties call. Preparation of available cash analysis for Canada.			
07/16/2018	Adam Sherman Emails/calls with L. Pillon and R. Jaipargas re liquidity issue, Stipulation, Sale Order, IO Reservation of Rights, etc. Email from RLF attaching Sale Order. Emails with RLF/Debevoise/Stikeman/Womble/ re Sale Order. Emails/Discussions with Richter team.	2.00	795.00	1,590.00
07/16/2018	Adam Sherman Attendance on Court call re US hearing for Sale Order, etc. Emails with BLG/Stikeman/Womble re revised Sale Order, Stipulation, Adidas objection, schedule of estimated distributions, etc. Calls with L. Pillon. Emails with Stikeman re Rockport affidavit.	4.50	795.00	3,577.50
07/16/2018	Pritesh Patel Attendance on call with Rockport and Noteholders re stipulation. Attendance on Court call for Sale Order. Calls with BLG re stipulation, Sale Order, etc. Review of affidavit, revised orders/language and comments on same.	6.00	650.00	3,900.00
07/17/2018	Adam Sherman Emails/calls with R. Jaipargas. and L. Pillon. Email from RLF attaching scheule of estimate distributions. Emails/discussions with Richter team. Emails with counsel re final form of Sale Order/Stipulation, including emails/calls with IO counsel on same.	4.00	795.00	3,180.00
07/17/2018	Pritesh Patel Review of Debtors proposed distribution schedule and calls with A.Sherman and L.Pillon on same. Review of emails re stipulation and discussions with A.Sherman and Stikeman on same. Review of Adidas materials and continue drafting Second Report.	8.00	650.00	5,200.00
07/18/2018	Adam Sherman Email from BLG re revised Rockport affidavit. Emails with BLG/Stikeman/RLF re final form of Sale Order/Stipulation. Emails/discusions with Richter team. Review and comment on draft IO report. Emails/calls with L. Pillon and R. Jaipargas.	3.00	795.00	2,385.00
07/18/2018	Pritesh Patel	8.50	650.00	5,525.00

Invoice No.: 20403099  
Date: 07/31/2018

Date	Name and Description	Hours	Rate	Amount
	Review of revised drafts of Stipulation and Sale Order, and incorporate into Second Report. Review of Stikeman motion summaries. Finalize draft of Second Report and circulate to A.Sherman and Stikeman. Updates to Report re Stikeman comments.			
07/19/2018	Adam Sherman Emails/calls with R. Jaipargas and L. Pillon. Emails/discussions with Richter team. Email from BLG re service of motion materials returnable July 20. BLG email re comments on IO report. Finalize/sign IO report. Emails/call with D. Bish re July 20 motion.	2.50	795.00	1,987.50
07/19/2018	Pritesh Patel Updates to report based on comments from A.Sherman and BLG. Compile appendices. Finalize, sign and circulate Second Report for service.	2.50	650.00	1,625.00
07/20/2018	Cindy Michaud Post motion materials, service list, IO Report to website.	1.00	185.00	185.00
07/20/2018	Adam Sherman Emails/call with R. Jaipargas re adidas, etc. Emails with L. Pillon. Call with D. Bish. Attendance at Court re recognition of Sale/Final DIP Order, including discussions with counsel. Emails/discussions with Richter team. BLG email re order/endorsement.	3.50	795.00	2,782.50
07/20/2018	Pritesh Patel Preparation for and attendance in Court for recognition order. Call with CRA re pre-filing HST amounts, and update to BLG and Olser on same.	2.30	650.00	1,495.00
<b>Fees Total</b>		<b>138.10</b>		<b>\$ 99,229.50</b>

Invoice No.: 20403099  
Date: 07/31/2018

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### Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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### Invoice Summary

Sub-Total		<b>\$ 99,229.50</b>
Technology and Administrative Fees		4,961.48
GST/HST #885435842 RT0001		13,544.83
<b>Total Due</b>	<b>CAD</b>	<b>\$ 117,735.81</b>

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### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR

Email payment details, including invoice number and amount paid to:  
[ClientService@richter.ca](mailto:ClientService@richter.ca)

#### Cheques

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail [ClientService@richter.ca](mailto:ClientService@richter.ca)**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 08/16/2018  
Invoice No.: 20403149  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

Professional services rendered to August 3, 2018 \$ 44,283.25

<b>Sub-Total</b>		44,283.25
<b>Technology and Administrative Fees</b>		2,214.16
GST/HST #885435842 RT0001		6,044.66
<b>Total Due</b>	<b>CAD</b>	<b>\$ 52,542.07</b>

TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20403149  
Date: 08/16/2018

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	18.30	\$ 795.00	\$ 14,548.50
Adam Zeldin	2.70	400.00	1,080.00
Cindy Michaud	1.10	185.00	203.50
Paul Van Eyk	0.25	795.00	198.75
Pritesh Patel	43.25	650.00	28,112.50
Soazig Bourguine	0.70	200.00	140.00
	<b>66.30</b>		<b>\$ 44,283.25</b>



Invoice No.: 20403149  
Date: 08/16/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
07/23/2018	Adam Sherman Emails from Stikeman/BLG. Emails/discussions with Richter team.	0.50	\$ 795.00	\$ 397.50
07/23/2018	Pritesh Patel Review of US docket, motions for Lease Rejection, Edmonton Stipulations and Claims Bar. Drafting of IO's Third Report. Calls with Rockport re HST audits and next steps, and review of materials. Call with CRA on same.	5.30	650.00	3,445.00
07/24/2018	Cindy Michaud Posting of revised service list to website.	0.10	185.00	18.50
07/24/2018	Paul Van Eyk Discussion with A. Sherman.	0.25	795.00	198.75
07/24/2018	Adam Sherman Emails from BLG re draft notice of motion/order (returnable 7/30/2018), affidavit, adidas settlement, etc. Emails/discussions with Richter team. Calls with R. Jaipargas. Emails from Stikeman re comments on notice of motion/order, adidas settlement, etc.	1.50	795.00	1,192.50
07/24/2018	Pritesh Patel Review of BLG materials and comments on same. Continue drafting Third Report. Call with Osler re HST/priorities. Review of adidas settlement. Call with R.Jaipargas re adidas, publication notice.	6.00	650.00	3,900.00
07/25/2018	Adam Sherman Emails with L. Pillon. Emails/calls with R. Jaipargas. Call with M. Collins/R. Jaipargas re counter-offer to IO settlement offer. Emails/discussions with Richter team. Email from BLG re entered US orders. Emails with Womble/Stikeman re adidas settlement.	2.00	795.00	1,590.00
07/25/2018	Pritesh Patel Correspondence with counsel re adidas. Call with CRA re HST, email to BLG on same. Call with RLF/BLG re adidas, counter settlement offer. Drafting email to counsels on same. Various edits/updates to IO report and circulate to A.Sherman for review.	8.50	650.00	5,525.00
07/26/2018	Adam Sherman Review draft IO report. Emails with Stikeman/BLG re draft IO report. Emails with Stikeman re counter-offer. Calls with R. Jaipargas. Emails/discussions with Richter team. Emails from Womble/RLF re adidas settlement. Email from BLG re motion record.	2.50	795.00	1,987.50
07/26/2018	Pritesh Patel	8.00	650.00	5,200.00

Invoice No.: 20403149  
Date: 08/16/2018

Date	Name and Description	Hours	Rate	Amount
	Call with Womble re settlement offer, adidas. Review of CF reporting for Canada, analysis of cumulative results and update IO report for same. Circulate report to Stikeman and update based on comments received. Circulate draft to BLG/RLF for comment.			
07/26/2018	Adam Zeldin Review and comment on IO report.	1.60	400.00	640.00
07/27/2018	Cindy Michaud Post documents to website.	0.50	185.00	92.50
07/27/2018	Adam Sherman Email from BLG re comments on IO report. Emails with L. Pillon. Emails/discussions with Richter team. Sign IO report. Calls with R. Jaipargas.	1.50	795.00	1,192.50
07/27/2018	Pritesh Patel Review comments from BLG on IO report and call on same. Update report and circulate to Goodmans/Osler. Finalize and sign Third Report. Begin drafting Fourth Report of IO for August 1 hearing.	2.50	650.00	1,625.00
07/28/2018	Pritesh Patel Review of flow of funds document from Houlihan and email to A.Sherman and Stikeman on same.	0.75	650.00	487.50
07/30/2018	Cindy Michaud Post documents to website.	0.50	185.00	92.50
07/30/2018	Adam Sherman Attendance in Court re recognition of certain US orders, including discussions with various counsel. Emails/discussions with Richter team. Review draft flow of funds/support re closing proceeds. Email from BLG attaching order/endorsement of same date.	3.50	795.00	2,782.50
07/30/2018	Adam Sherman Emails from BLG re Notice of Motion, Order, Affidavit (returnable 8 1 2018). Email from BLG re Dama lien funds. Emails/calls with R. Jaipargas re CRA, etc.	1.00	795.00	795.00
07/30/2018	Adam Sherman Attendance on Court call re adidas settlement. Emails/discussions with Stikeman re various matters.	0.50	795.00	397.50
07/30/2018	Pritesh Patel Preparation and attendance in Court for recognition orders. Correspondence with creditor re claims bar order. Review of BLG materials and Levi declaration re adidas. Review motion summaries and draft IO's Fourth Report.	8.50	650.00	5,525.00

Invoice No.: 20403149  
Date: 08/16/2018

Date	Name and Description	Hours	Rate	Amount
07/31/2018	Soazig Bourguine Post documents to website.	0.50	200.00	100.00
07/31/2018	Adam Sherman Review draft IO report. Emails/discussions with Richter team. Emails from Stikeman/BLG re IO report. Emails with R. Jaipargas/D. Winters re CRA. Email from Stikeman attaching account for period ending 7 20 2018.	1.80	795.00	1,431.00
07/31/2018	Adam Sherman Finalize/sign IO report. Emails/call with R. Jaipargas re various matters.	1.00	795.00	795.00
07/31/2018	Pritesh Patel Edits and updates to IO's Fourth Report based on comments received. Finalize and sign report for service. Call with CRA re HST audit.	2.20	650.00	1,430.00
07/31/2018	Adam Zeldin Review and comment on IO report.	1.10	400.00	440.00
08/01/2018	Soazig Bourguine Post documents to website.	0.20	200.00	40.00
08/01/2018	Adam Sherman Attendance in Court re adidas settlement, including discussions with counsel. Emails/discussions with Richter team. Email from BLG re order/endorsement of same date. Call with R. Jaipargas.	2.00	795.00	1,590.00
08/01/2018	Pritesh Patel Preparation and attendance in Court for recognition of adidas settlement order.	1.20	650.00	780.00
08/03/2018	Adam Sherman Emails from BLG re closing of Charlesbank transaction. Emails/discussions with Richter team.	0.50	795.00	397.50
08/03/2018	Pritesh Patel Call with BLG re Dama lien funds. Correspondence with Richter team and response to BLG on same.	0.30	650.00	195.00
<b>Fees Total</b>		<b>66.30</b>		<b>\$ 44,283.25</b>

Invoice No.: 20403149  
Date: 08/16/2018

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### Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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### Invoice Summary

Sub-Total		<b>\$ 44,283.25</b>
Technology and Administrative Fees		2,214.16
GST/HST #885435842 RT0001		6,044.66
<b>Total Due</b>	<b>CAD</b>	<b>\$ 52,542.07</b>

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### Payment Options

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0900

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 09/12/2018  
Invoice No.: 20403264  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

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Professional services rendered to August 31, 2018 \$ 20,065.00

<b>Sub-Total</b>		<hr/> 20,065.00
<b>Technology and Administrative Fees</b>		1,003.25
GST/HST #885435842 RT0001		2,738.87
<b>Total Due</b>	<b>CAD</b>	<hr/> <b>\$ 23,807.12</b>

## TORONTO

-----  
Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

## MONTREAL

-----  
1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

-----  
200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

Invoice No.: 20403264  
Date: 09/12/2018

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	16.00	\$ 795.00	\$ 12,720.00
Pritesh Patel	11.30	650.00	7,345.00
	<b>27.30</b>		<b>\$ 20,065.00</b>

Invoice No.: 20403264  
Date: 09/12/2018

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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
08/07/2018	Adam Sherman Emails from/to M. Collins re allocation. Emails with L. Pillon. Discussions with Richter team. Emails from BLG re Dama lien funds.	0.50	\$ 795.00	\$ 397.50
08/08/2018	Adam Sherman Emails with Stikeman. Email from HL re closing working capital estimates, Rockport Canada cash flow, etc.	1.00	795.00	795.00
08/09/2018	Adam Sherman Emails with BLG re allocation. Discussions with Richter team. Emails with Stikeman.	0.20	795.00	159.00
08/10/2018	Adam Sherman Emails from BLG re foreign representative certificate, etc.	0.20	795.00	159.00
08/12/2018	Pritesh Patel Review of updated information received from HL. Update waterfall analysis for Canada and circulate to A. Sherman and L. Pillon for review.	2.20	650.00	1,430.00
08/13/2018	Adam Sherman Emails with L. Pillon and Richter team re updated Canadian waterfall analysis, including review of same.	0.50	795.00	397.50
08/13/2018	Pritesh Patel Calls with R. Jaiparas re allocation issue, upcoming motions, HST audit, etc.	0.80	650.00	520.00
08/14/2018	Adam Sherman Emails and conference call with L. Pillon re revised Canadian waterfall analysis and settlement proposal. Email from Stikeman re account for the period ending 8 3 2018. Emails with Richter team re further revised Canadian waterfall analysis, etc.	1.50	795.00	1,192.50
08/14/2018	Pritesh Patel Call with Stikeman to review waterfall analysis. Edits to document based on comments received.	1.80	650.00	1,170.00
08/15/2018	Adam Sherman Emails with Stikeman and Richter team re revised Canadian waterfall analysis.	0.30	795.00	238.50
08/15/2018	Pritesh Patel Review of email from L. Pillon re proposal. Additional edits to waterfall analysis.	0.50	650.00	325.00
08/16/2018	Adam Sherman Emails with Stikeman and Richter team re revised Canadian waterfall analysis and settlement proposal. Discussions with Richter team.	0.80	795.00	636.00

Invoice No.: 20403264  
Date: 09/12/2018

Date	Name and Description	Hours	Rate	Amount
08/17/2018	Adam Sherman Emails/calls with Womble/Stikeman re settlement proposal. Emails/discussions with Richter team. Email to BLG/RLF re revised Canadian waterfall analysis and settlement proposal. Emails/call with landlord rep (Place Vertu) re update, claims bar date, etc.	2.00	795.00	1,590.00
08/17/2018	Pritesh Patel Numerous discussions with L. Pillon and A. Sherman re proposal to Rockport on allocation issues. Updates to waterfall analysis. Review and edits to proposal email.	2.50	650.00	1,625.00
08/20/2018	Adam Sherman Emails/call with R. Jaipargas re proposed settlement. Emails with landlord rep (Place Vertu) re filing of claim.	0.50	795.00	397.50
08/21/2018	Adam Sherman Emails from BLG re discharge of Dama lien claim/termination of Edmonton lease.	0.20	795.00	159.00
08/21/2018	Pritesh Patel Review of emails from BLG re Edmonton lien. Call with R. Jaipargas on lien issues, allocation proposals and next steps. Respond to email from L. Pillon.	1.10	650.00	715.00
08/22/2018	Adam Sherman Emails from BLG re communications with counsel for a landlord re Dixie location.	0.10	795.00	79.50
08/23/2018	Adam Sherman Emails with Richter team re sales tax. Call with R. Jaipargas.	0.40	795.00	318.00
08/23/2018	Pritesh Patel Correspondence with Rockport re sales tax audits and review of documentation on same. Review of APA and response to L. Pillon re working capital adjustments.	0.70	650.00	455.00
08/25/2018	Pritesh Patel Review of waterfall analysis and response to questions from HL re fee estimates.	0.50	650.00	325.00
08/28/2018	Adam Sherman Email from BLG attaching order. Call with R. Jaipargas re various matters.	0.50	795.00	397.50
08/29/2018	Adam Sherman Emails with BLG re Dama lien, US confirmation hearing date, etc. Emails with Stikeman/BLG re IO settlement offer.	0.30	795.00	238.50
08/30/2018	Adam Sherman	4.00	795.00	3,180.00



Invoice No.: 20403264  
Date: 09/12/2018

Date	Name and Description	Hours	Rate	Amount
	Email from HL re updated analysis of value to Canadian creditors, including responding email. Email from RLF attaching draft plan and disclosure statement. Emails/call with L. Pillon re HL analysis, plan, etc. Emails/discussions with Richter team.			
08/30/2018	Pritesh Patel Review of HL proposal. Preparation of analysis comparing settlement offers and circulate to A. Sherman and L. Pillon.	1.20	650.00	780.00
08/31/2018	Adam Sherman Continue to review HL analysis and plan/disclosure statement, including emails with Stikeman re same. Email to HL requesting certain info re analysis. Email from N. Court (HL).	3.00	795.00	2,385.00
<b>Fees Total</b>		<b>27.30</b>		<b>\$ 20,065.00</b>

Invoice No.: 20403264  
Date: 09/12/2018

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**Remittance Form**

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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**Invoice Summary**

<b>Sub-Total</b>	<b>\$ 20,065.00</b>
<b>Technology and Administrative Fees</b>	1,003.25
GST/HST #885435842 RT0001	2,738.87
<b>Total Due</b>	<b>CAD \$ 23,807.12</b>

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**Payment Options**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

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**TORONTO**

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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**MONTREAL**

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

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**CHICAGO**

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 10/11/2018  
Invoice No.: 20403359  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

Professional services rendered to September 30, 2018. \$ 24,041.50

<b>Sub-Total</b>		24,041.50
<b>Technology and Administrative Fees</b>		1,202.08
GST/HST #885435842 RT0001		3,281.67
<b>Total Due</b>	<b>CAD</b>	<b>\$ 28,525.25</b>

TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
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Toronto ON M5J 2T3  
416.488.2345

MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20403359  
Date: 10/11/2018

**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	16.70	\$ 795.00	\$ 13,276.50
Eric Finley	1.00	300.00	300.00
Pritesh Patel	16.10	650.00	10,465.00
	<b>33.80</b>		<b>\$ 24,041.50</b>

Invoice No.: 20403359  
Date: 10/11/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
09/04/2018	Adam Sherman Emails/call with L. Pillon. Emails with Stikeman/Womble re: comments on draft plan, including conference call re: same. Email to HL requesting certain financial/other info. Emails/discussions with Richter team.	2.50	\$ 795.00	\$ 1,987.50
09/04/2018	Pritesh Patel Review of email from Womble re: plan and call to discuss same.	1.20	650.00	780.00
09/05/2018	Adam Sherman Conference call with RLF/HL/BLG/Stikeman/Womble re: draft plan and treatment of Canadian creditors, including emails/calls with Stikeman/Womble re: same. Emails/discussions with Richter team. Email from HL re: Canadian claims, etc.	1.80	795.00	1,431.00
09/05/2018	Pritesh Patel Call with HL and RLF to discuss plan. Review of claim data from HL.	1.00	650.00	650.00
09/06/2018	Adam Sherman Conference call with Stikeman/counsel for various landlords re: update on draft plan/treatment of Canadian creditors. Emails/call with Stikeman re: HL info, etc. Emails/discussions with Richter team. Email from HL clarifying certain info.	1.50	795.00	1,192.50
09/07/2018	Adam Sherman Email from Stikeman re: account for period ending 08/31/2018. Emails with Richter team/Stikeman re: various plan considerations. Emails from A&M/HL clarifying certain info.	1.00	795.00	795.00
09/07/2018	Pritesh Patel Correspondence with HL re: distributions.	0.50	650.00	325.00
09/10/2018	Adam Sherman Emails/call with R. Jaipargas re: update on various matters. Emails/call with Richter team. Email from RLF re: US wind-down reserve. Emails/call with L. Pillon re: plan comments, etc. Emails with Womble/Stikeman re: plan comments.	2.00	795.00	1,590.00
09/10/2018	Pritesh Patel Call with R. Jaipargas re: status of settlement and plan. Call with A. Sherman and E. Pillon re: plan. Preparation of email to Debtors re: settlement and update based on comments from Stikeman.	2.50	650.00	1,625.00
09/11/2018	Adam Sherman	1.00	795.00	795.00

Invoice No.: 20403359  
Date: 10/11/2018

Date	Name and Description	Hours	Rate	Amount
	Emails with Womble/Stikeman re: plan comments. Email from HL re: post-petition claims.			
09/11/2018	Pritesh Patel Review of comments from E. Pillion re: plan and call with Stikeman and Womble on same. Review updated draft of comments on plan and circulate to Debtors. Correspondence with HL/A&M re: unpaid postpetition expenses.	2.00	650.00	1,300.00
09/11/2018	Eric Finley Review claims register and compare to estimated claims, including discussions with Richter team.	1.00	300.00	300.00
09/12/2018	Adam Sherman Email from BLG re: termination of Edmonton lease and Dama lien. Call with R. Jaipargas re: IO comments on plan/allocation issue. Emails/discussions with Richter team.	1.00	795.00	795.00
09/13/2018	Pritesh Patel Call with R. Jaipargas re: plan.	0.50	650.00	325.00
09/14/2018	Adam Sherman Emails with Stikeman/Womble re: rescheduling of hearing date for plan approval. Discussions with Richter team.	0.30	795.00	238.50
09/17/2018	Adam Sherman Emails with Stikeman/Womble. Emails/discussions with Richter team. Call with L. Pillon re: email to RLF re: response to IO's comments on the plan.	0.80	795.00	636.00
09/18/2018	Adam Sherman Email from RLF re: revised plan, treatment of Canadian creditors, etc. Email from Stikeman re: revised plan.	1.00	795.00	795.00
09/18/2018	Pritesh Patel Review of emails, blackline on updated version of plan.	0.50	650.00	325.00
09/20/2018	Adam Sherman Emails with Stikeman. Emails/discussions with Richter team. Emails with RLF/BLG re: scheduling of call to discuss plan/treatment of Canadian creditors.	0.30	795.00	238.50
09/20/2018	Pritesh Patel Correspondence with counsel re: allocation. Correspondence with debtors re: call on plan, allocations.	0.50	650.00	325.00
09/21/2018	Adam Sherman Email/call with L. Pillon re: revised plan/treatment of Canadian creditors.	0.50	795.00	397.50
09/25/2018	Adam Sherman	0.50	795.00	397.50

Invoice No.: 20403359  
Date: 10/11/2018

Date	Name and Description	Hours	Rate	Amount
	Emails/call with Stikeman re: prep for call with RLF and others re: plan/treatment of Canadian creditors. Discussions with Richter team.			
09/25/2018	Adam Sherman Emails/call with Stikeman re: prep for call with RLF and others re: plan/treatment of Canadian creditors. Emails/discussions with Richter team. Review IO proposal vs plan.	0.50	795.00	397.50
09/25/2018	Pritesh Patel Call with CRA re: status of HST audit. Call with E. Pillon re: plan. Review revised waterfall included in plan and prepare analysis on same, including emails to E. Pillon and A. Sherman in advance of all parties call.	3.50	650.00	2,275.00
09/26/2018	Adam Sherman Emails with Stikeman. Conference call with RLF/BLG/HL/Stikeman/Womble re: IO's questions/comments on plan/treatment of Canadian creditors. Emails/discussions with Richter team.	2.00	795.00	1,590.00
09/26/2018	Pritesh Patel Prep for and participation on all parties call to discuss outstanding issues re: plan and comments on waterfall analysis. Follow-up call with E. Pillon on next steps. Call with R. Jaipargas re: release language in plan. Call with creditor re: plan.	3.30	650.00	2,145.00
09/28/2018	Pritesh Patel Call with R. Jaipargas re: next steps on allocation. Follow-up call from creditor re: plan.	0.60	650.00	390.00
<b>Fees Total</b>		<b>33.80</b>		<b>\$ 24,041.50</b>

Invoice No.: 20403359  
Date: 10/11/2018

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## Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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## Invoice Summary

Sub-Total		<b>\$ 24,041.50</b>
Technology and Administrative Fees		1,202.08
GST/HST #885435842 RT0001		3,281.67
<b>Total Due</b>	<b>CAD</b>	<b>\$ 28,525.25</b>

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## Payment Options

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA



# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date:	11/09/2018
Invoice No.:	20403449
Engagement No.:	2021203
Payment Terms:	Due on Receipt

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Professional services rendered to October 31, 2018	\$ 28,995.50
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<b>Sub-Total</b>	28,995.50
<b>Technology and Administrative Fees</b>	1,449.78
GST/HST #885435842 RT0001	3,957.89
<b>Total Due</b>	<b>CAD \$ 34,403.17</b>

## TORONTO

.....  
Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

## MONTREAL

.....  
1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

## CHICAGO

.....  
200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

Invoice No.: 20403449  
Date: 11/09/2018

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Fees			
Name	Hours	Rate	Amount
<hr/>			
Adam Sherman	21.90	\$ 795.00	\$ 17,410.50
Eric Finley	2.00	300.00	600.00
Pritesh Patel	16.90	650.00	10,985.00
	<hr/>		<hr/>
	40.80		\$ 28,995.50

Invoice No.: 20403449  
Date: 11/09/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
10/01/2018	Pritesh Patel Call with E. Pilon re: waterfall analysis and plan for all parties call. Preparation of comparison waterfall analysis, including compromise position and discussion with E. Pilon on same.	3.20	\$ 650.00	\$ 2,080.00
10/02/2018	Adam Sherman Conference call with RLF, BLG, A&M, HL, Womble, Stikeman re: plan and treatment of Canadian creditors. Emails/calls with L. Pilon. Emails/discussions with Richter team. Emails with landlord counsel re: update call.	3.00	795.00	2,385.00
10/02/2018	Pritesh Patel Call with various counsel to review and discuss waterfall comparison analysis. Discussion with E. Finley re: claims review and correspondence with A&M/Houlihan on same.	1.80	650.00	1,170.00
10/02/2018	Eric Finley Review claims submitted and summarize findings re: USD vs. CAD claims. Discuss with Richter team.	2.00	300.00	600.00
10/03/2018	Adam Sherman Conference call with Stikeman and counsel for certain landlords re: update on plan/treatment of Canadian creditors. Email from Womble/Stikeman re: IO Plan comments. Emails/discussions with Richter team.	1.20	795.00	954.00
10/03/2018	Pritesh Patel Review of claims analysis and email to Houlihan/A&M on same. Call with Canadian landlords re: Plan.	2.20	650.00	1,430.00
10/04/2018	Adam Sherman Emails/discussions with Richter team. Review current QST info. Emails/call with R. Jaipargas re: plan/treatment of Canadian creditors/etc.	1.00	795.00	795.00
10/05/2018	Adam Sherman Emails/call with Stikeman re: extension of objection deadline re: interim Plan approval and other matters. Emails/discussions with Richter team. Email from RLF re: objection deadline/IO comments on Plan/etc.	0.80	795.00	636.00
10/05/2018	Pritesh Patel Review of professional fee summary from Houlihan. Call with R. Jaipargas re: BLG fees and next steps on allocation issues.	0.50	650.00	325.00
10/08/2018	Adam Sherman	5.00	795.00	3,975.00

Invoice No.: 20403449  
Date: 11/09/2018

Date	Name and Description	Hours	Rate	Amount
10/08/2018	<p>Emails with Stikeman/Womble re: Plan negotiations/IO objection/etc. Emails/discussions with Richter team. Email from Womble providing comments on objection. Review/comment on objection. Email from RLF re: revised allocation of value to Canadian creditors.</p> <p>Pritesh Patel Review and comment on draft objection. Review of revised proposal from Houlihan/Debtors.</p>	2.30	650.00	1,495.00
10/09/2018	<p>Adam Sherman Emails/conference call with Stikeman/Womble re: revised Plan/objection/etc. Emails/discussions with Richter team. Review updated IO objection. Calls with L. Pilon. Emails/call with R. Jaipargas. Emails with landlord counsel re: update.</p>	3.50	795.00	2,782.50
10/09/2018	<p>Pritesh Patel Update to comparison waterfall to include revised proposal and call with A. Sherman to discuss same. Call with Womble and Stikemans to review revised proposal and outstanding items. Call and correspondence with Houlihan to discuss proposal.</p>	3.20	650.00	2,080.00
10/10/2018	<p>Adam Sherman Emails with Stikeman/Womble re: IO acceptance of revised allocation. Emails/discussions with Richter team. Emails/calls with BLG. Emails with landlord counsel re: update.</p>	2.50	795.00	1,987.50
10/10/2018	<p>Pritesh Patel Correspondence with Womble/Stikes re: revised Plan.</p>	0.50	650.00	325.00
10/11/2018	<p>Adam Sherman Email from Stikeman re: account for period ending 9/30/2018. Emails/discussions with Richter team. Emails/calls with R. Jaipargas. Emails from Stikeman/Womble re: Plan comments, etc. Email from RLF re: updated Plan to address IO comments/other matters.</p>	2.50	795.00	1,987.50
10/12/2018	<p>Adam Sherman Attendance at Stikeman's office re: Court call for interim approval of Plan/Disclosure Statement, etc. Discussions with Richter team. Emails/call with R. Jaipargas. Emails with landlord counsel re: update.</p>	1.80	795.00	1,431.00
10/12/2018	<p>Pritesh Patel Attendance on Court Call for interim approval of Plan and Disclosure Statement. Discussions with Stikes re: next steps.</p>	1.00	650.00	650.00

Invoice No.: 20403449  
Date: 11/09/2018

Date	Name and Description	Hours	Rate	Amount
10/16/2018	Adam Sherman Emails from Womble attaching amended Plan/Disclosure Statement and Order approving same.	0.20	795.00	159.00
10/16/2018	Pritesh Patel Call with former employee re: status of proceedings and outstanding payment for wages. Email to Rockport on same.	0.50	650.00	325.00
10/17/2018	Pritesh Patel Review of information from former employee and correspondence with Rockport re: outstanding payment.	0.30	650.00	195.00
10/19/2018	Pritesh Patel Continued correspondence between employee and Rockport re: payment issues.	0.40	650.00	260.00
10/24/2018	Adam Sherman Emails with L. Galessiere (landlord counsel). Emails with Richter team.	0.20	795.00	159.00
10/24/2018	Pritesh Patel Call with counsel to landlord re: Plan, Disclosure Statement and voting procedures. Correspondence with Rockport re: outstanding employee pay.	0.50	650.00	325.00
10/29/2018	Adam Sherman Call with R. Jaipargas re: various matters, including selection of claims administrator.	0.20	795.00	159.00
10/29/2018	Pritesh Patel Discussion with A. Sherman re: Rockport Canada Plan Administrator, including review of relevant provisions in Plan and call with Womble on same.	0.50	650.00	325.00
<b>Fees Total</b>		<b>40.80</b>		<b>\$ 28,995.50</b>

Invoice No.: 20403449  
Date: 11/09/2018

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**Remittance Form**

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 28,995.50</b>
<b>Technology and Administrative Fees</b>		1,449.78
<b>GST/HST #885435842 RT0001</b>		3,957.89
<b>Total Due</b>	<b>CAD</b>	<b>\$ 34,403.17</b>

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**Payment Options**

**Wire Transfer**      Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques**              Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

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**TORONTO**

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416.488.2345

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**MONTREAL**

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514.934.3400

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**CHICAGO**

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 12/10/2018  
Invoice No.: 20403537  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

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Professional services rendered to November 30, 2018 \$ 9,961.50

<b>Sub-Total</b>	9,961.50
<b>Technology and Administrative Fees</b>	498.08
GST/HST #885435842 RT0001	1,359.75
<b>Total Due</b>	<b>CAD \$ 11,819.33</b>

## TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
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416.488.2345

## MONTREAL

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## CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

Invoice No.: 20403537  
Date: 12/10/2018

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	3.70	\$ 795.00	\$ 2,941.50
Pritesh Patel	10.80	650.00	7,020.00
	<b>14.50</b>		<b>\$ 9,961.50</b>



Invoice No.: 20403537  
Date: 12/10/2018

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**Fee and Disbursement Details**

Date	Name and Description	Hours	Rate	Amount
11/01/2018	Pritesh Patel Call with Womble re: Plan Administrator Agreement. Review of draft agreement from RLF. Correspondence with Rockport re: status of HST and QST audits.	1.20	\$ 650.00	\$ 780.00
11/06/2018	Adam Sherman Emails from Womble/Stikeman re: comments on Plan Administrator Agreement. Emails with Richter team.	0.30	795.00	238.50
11/06/2018	Pritesh Patel Review Plan Administrator Agreement and counsels comments on same. Calls with S. Sopic re: fee approval and discharge.	1.10	650.00	715.00
11/07/2018	Adam Sherman Call with Stikeman re: Plan Administrator Agreement/other matters. Discussions with Richter team. Email from Womble to RLF re: comments on Plan Administrator Agreement. Email from Stikeman to landlord counsel re: Plan Administrator role/other matters.	0.60	795.00	477.00
11/07/2018	Pritesh Patel Review of comments from Womble re: Plan Administrator Agreement. Update call with Stikemans re: Plan Administrator Agreement and next steps.	1.00	650.00	650.00
11/08/2018	Pritesh Patel Correspondence with CRA re: HST audit and outstanding returns. Correspondence with Rockport on same.	0.50	650.00	325.00
11/09/2018	Pritesh Patel Correspondence with Womble re: Plan Administrator Agreement. Compile requested docs and forward to Womble.	0.30	650.00	195.00
11/13/2018	Adam Sherman Emails from Stikeman/BLG re: sanction order recognition hearing/other matters.	0.20	795.00	159.00
11/14/2018	Adam Sherman Conference call with BLG/Stikeman re: sanction order recognition hearing, Plan Administrator, other matters. Discussions with Richter team.	0.70	795.00	556.50
11/14/2018	Pritesh Patel Update call with BLG re: Plan confirmation in Canada and next steps. Review of notice of reassessment received from Rockport and call with Rockport on same.	1.50	650.00	975.00
11/15/2018	Pritesh Patel Call with CRA re: notice of reassessment and status of audit. Call with Rockport re: status of filings, QST assessment and next steps.	1.50	650.00	975.00

Invoice No.: 20403537  
Date: 12/10/2018

Date	Name and Description	Hours	Rate	Amount
11/16/2018	Pritesh Patel Call and correspondence with BC Ministry of Finance re: outstanding balance. Email to Rockport on same.	0.20	650.00	130.00
11/19/2018	Adam Sherman Attendance in Court re: file update. Emails with BLG re: Canadian tax claims. Emails/discussions with Richter team.	1.00	795.00	795.00
11/19/2018	Pritesh Patel Call with landlord re: status of proceedings and Plan. Review of MRQ claim from BLG and correspondence with Rockport on same.	1.20	650.00	780.00
11/20/2018	Adam Sherman Email from Stikeman re: Plan Administrator Agreement, Hemisphere claim. Discussions with Richter team. Email from BLG re: rescheduling of US confirmation hearing.	0.40	795.00	318.00
11/20/2018	Pritesh Patel Review of email from Stikeman re: Plan Administrator Agreement and Hemisphere claim. Investigation into Hemisphere claim and discussion with A. Sherman on same. Call with Womble re: Hemisphere.	1.80	650.00	1,170.00
11/26/2018	Adam Sherman Email from Womble re: confirmation hearing rescheduled to 12/11/18. Emails with Stikeman/Womble re: Plan Administrator Agreement, etc.	0.20	795.00	159.00
11/29/2018	Adam Sherman Emails from BLG/RLF. Discussion with Richter team.	0.20	795.00	159.00
11/29/2018	Pritesh Patel Call with BLG and Stikeman re: Plan confirmation hearing. Follow-up discussion with A. Sherman and correspondence with Stikeman on same.	0.50	650.00	325.00
11/30/2018	Adam Sherman Email from BLG re: rescheduled Plan confirmation hearing date and other matters.	0.10	795.00	79.50
<b>Fees Total</b>		<b>14.50</b>		<b>\$ 9,961.50</b>

Invoice No.: 20403537  
Date: 12/10/2018

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### Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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### Invoice Summary

Sub-Total		<b>\$ 9,961.50</b>
Technology and Administrative Fees		498.08
GST/HST #885435842 RT0001		1,359.75
<b>Total Due</b>	<b>CAD</b>	<b>\$ 11,819.33</b>

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### Payment Options

#### Wire Transfer

Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2

CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTTOR

Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

#### Cheques

Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

#### TORONTO

Richter Advisory Group Inc.  
181 Bay St., #3320  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### MONTREAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

RICHTER.CA

# RICHTER

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

Date: 12/31/2018  
Invoice No.: 20403627  
Engagement No.: 2021203  
Payment Terms: Due on Receipt

Professional services rendered to December 31, 2018 \$ 33,685.50

<b>Sub-Total</b>		<u>33,685.50</u>
<b>Technology and Administrative Fees</b>		1,684.28
GST/HST #885435842 RT0001		<u>4,598.08</u>
<b>Total Due</b>	<b>CAD</b>	<b>\$ 39,967.86</b>

TORONTO

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Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20403627  
Date: 12/31/2018

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	7.90	\$ 795.00	\$ 6,280.50
Carol O'Donnell	1.60	200.00	320.00
Paul Van Eyk	3.00	795.00	2,385.00
Pritesh Patel	38.00	650.00	24,700.00
	<b>50.50</b>		<b>\$ 33,685.50</b>

Invoice No.: 20403627  
Date: 12/31/2018

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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
12/06/2018	Adam Sherman Email from Womble re tax matter. Discussions with Richter team.	0.30	\$ 795.00	\$ 238.50
12/06/2018	Pritesh Patel Correspondence with Womble and Rockport re corporate taxes.	0.50	650.00	325.00
12/07/2018	Adam Sherman Call with BLG re Plan approval hearing, etc.	0.30	795.00	238.50
12/08/2018	Adam Sherman Emails with BLG re rescheduling of Dec. 11 sanction hearing.	0.10	795.00	79.50
12/09/2018	Adam Sherman Emails/call with BLG re rescheduling of Dec 11 sanction hearing.	0.30	795.00	238.50
12/10/2018	Adam Sherman Emails with Stikeman re scheduling of plan confirmation recognition hearing, etc. Emails with Richter team. Email from Womble.	0.20	795.00	159.00
12/11/2018	Adam Sherman Emails with Stikeman re plan confirmation recognition hearing/discharge hearing, etc. Emails/discussions with Richter team. Email from Womble re Hemisphere claim. Email from BLG re Court call info.	0.30	795.00	238.50
12/12/2018	Adam Sherman Emails with Stikeman/Womble re various matters re plan confirmation, etc. Email from Stikeman re comments on BLG draft motion materials.	0.50	795.00	397.50
12/13/2018	Adam Sherman Email from Stikeman attaching revised plan.	0.30	795.00	238.50
12/14/2018	Adam Sherman Emails with Stikeman/Womble re revised plan. Emails/discussions with Richter team re Hemisphere, etc.	0.40	795.00	318.00
12/14/2018	Pritesh Patel Review and response on Stipulation. Review of BLG motion materials, Prime Clerk and drafting of Fifth Report.	2.50	650.00	1,625.00
12/17/2018	Adam Sherman Emails from Stikeman/Womble re revised plan and other matters. Emails from BLG/Stikeman re IO discharge. Emails from RLF re revised plan and disclosure statement/motion to modify modify joint administration of file, etc.	0.80	795.00	636.00
12/17/2018	Pritesh Patel	5.50	650.00	3,575.00

Invoice No.: 20403627  
Date: 12/31/2018

Date	Name and Description	Hours	Rate	Amount
	Review of revised motion materials from BLG, and comments from Stikeman on same. Review of Revised Plan and materials on Prime Clerk, and drafting of Fifth Report. Numerous emails and discussions with Stikeman/Womble re Plan, tax issues, etc.			
12/18/2018	Adam Sherman Emails from Stikeman re scheduling of IO discharge hearing, upcoming plan confirmation hearing, etc. Emails from Womble attaching various docs re plan confirmation/other matters. Emails/discussions with Richter team. Review draft IO report.	1.50	795.00	1,192.50
12/18/2018	Pritesh Patel Call with A&M, Rockport re status of Rockport Canada tax filings. Discussions and correspondence with Stikemans and Womble re changes to Plan. Finalize draft of Fifth Report and circulate to Stikeman for comments.	12.00	650.00	7,800.00
12/19/2018	Adam Sherman Email from BLG re revised order, including emails from Stikeman re same. Emails with Richter team. Email from BLG re motion record returnable 12/21/18.	0.80	795.00	636.00
12/19/2018	Pritesh Patel Attendance at Stikeman for US hearing re Plan confirmation. Review and comments on revised motion materials, and discussion with BLG and Stikeman on same. Update report for comments from Womble and Stikeman, and circulate draft to BLG.	6.50	650.00	4,225.00
12/20/2018	Carol O'Donnell Post documents to website.	1.60	200.00	320.00
12/20/2018	Paul Van Eyk Review of report, discussion with P. Patel, review of emails.	1.00	795.00	795.00
12/20/2018	Adam Sherman Emails from BLG/Stikeman re comments on IO report. Emails with Richter team. Finalize/sign IO report.	1.00	795.00	795.00
12/20/2018	Pritesh Patel Update report for comments from BLG. Review, finalize and sign report for service.	2.50	650.00	1,625.00
12/21/2018	Paul Van Eyk Attendance in court, for Plan recognition.	2.00	795.00	1,590.00
12/21/2018	Adam Sherman Email from BLG attaching order/endorsement.	0.10	795.00	79.50

Invoice No.: 20403627  
Date: 12/31/2018

Date	Name and Description	Hours	Rate	Amount
12/27/2018	Adam Sherman Emails from Stikeman/Womble re plan administrator agreement and other matters.	0.30	795.00	238.50
12/27/2018	Pritesh Patel Review of claims reconciliation schedule from A&M and call with R. Olsen on same. Review of motion to separate administrations. Correspondence with counsels re motion to separate administrations, plan administrator agreement, etc.	2.00	650.00	1,300.00
12/28/2018	Adam Sherman Emails from Womble re updated plan administrator agreement, payment of funds, etc. Emails from Stikeman. Emails with Richter team.	0.50	795.00	397.50
12/28/2018	Pritesh Patel Review of final Plan Administrator Agreement. Correspondence with A&M, Stikeman and Womble re funding for Rockport Canada Fund. Call with A&M re funding for Rockport Canada Fund. Review and comment on A&M funding analysis.	3.50	650.00	2,275.00
12/29/2018	Pritesh Patel Review and comment on revised funding analysis from A&M. Correspondence with counsel re funding analysis.	0.60	650.00	390.00
12/30/2018	Pritesh Patel Correspondence with counsels re case caption change, funding analysis and Prime Clerk costs.	0.20	650.00	130.00
12/31/2018	Adam Sherman Emails from Womble re final plan administrator agreement and notice of plan effective date. Emails with Richter team. HSBC email re partial plan payment.	0.20	795.00	159.00
12/31/2018	Pritesh Patel Correspondence with counsels re Plan Confirmation, case caption change, funding from Rockport for Rockport Canada Fund. Review and execute final Plan Administrator Agreement.	2.20	650.00	1,430.00
<b>Fees Total</b>		<b>50.50</b>		<b>\$ 33,685.50</b>



Invoice No.: 20403627  
Date: 12/31/2018

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### Remittance Form

Attn. Mr. Paul Kosturos

Rockport Blocker, LLC  
1220 Washington Street  
Newton, MA 02465

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### Invoice Summary

Sub-Total		<b>\$ 33,685.50</b>
Technology and Administrative Fees		1,684.28
GST/HST #885435842 RT0001		4,598.08
<b>Total Due</b>	<b>CAD</b>	<b>\$ 39,967.86</b>

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### Payment Options

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Cheques** Payable to: Richter Advisory Group Inc.  
Send to: 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto ON M5J 2T3

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca**

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#### CHICAGO

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312.828.0900

RICHTER.CA

## **APPENDIX J**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS,  
LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY  
CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC,  
DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY  
OPCO CANADA ULC (THE "DEBTORS")

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

(Applicants)

AFFIDAVIT OF ELIZABETH PILLON  
(SWORN JANUARY 15, 2019)

I, Elizabeth Pillon, of the City of Oakville, in the Province of Ontario, MAKE OATH  
AND SAY:

1. I am a partner with the law firm of Stikeman Elliott LLP ("Stikeman Elliott"), lawyers for Richter Advisory Group Inc. ("Richter") in its capacity as the Court-appointed Information Officer in the above-noted proceedings and, as such, I have knowledge of the matters to which I hereinafter depose.
2. This affidavit is sworn in support of a motion for, *inter alia*, the approval of the fees and disbursements of Stikeman Elliott for the period from April 1, 2018 to December 31, 2018, inclusive.
3. During the period from April 1, 2018 to December 31, 2018, Stikeman Elliott docketed 486.11 hours, amounting to legal fees invoiced in the amount of \$375,703.40 and disbursements and other charges in the amount of \$3,910.44 plus Harmonized Sales Tax ("HST") of \$49,333.16.

4. Attached hereto and marked collectively as **Exhibit "A"** are copies of the accounts rendered by Stikeman Elliott to Richter, in its capacity as Information Officer, from April 1, 2018 to December 31, 2018. Certain confidential and/or privileged information has been redacted from the invoices.

5. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice included in Exhibit "A", including the fees, expenses, HST and total fees charged in each invoice.

6. Attached hereto as **Exhibit "C"** is a schedule summarizing the billing rates and total amounts billed with respect to each member of Stikeman Elliott who rendered services to Richter, in its capacity as Information Officer.

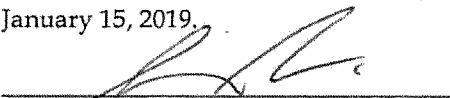
7. Additional professional time has been required following December 31, 2018 as part of the winding up these proceedings and further time is expected to be required. Stikeman Elliott estimates the fees for this additional professional time will be no more than \$20,000 exclusive of HST and disbursements.

8. The hourly billing rate applied in the invoices of Stikeman Elliott were no more than Stikeman Elliott's normal hourly rates which were in effect from January 1, 2018 to December 31, 2018, and are comparable to the hourly rates charged by Stikeman Elliott for services rendered in relation to similar proceedings.

9. To the best of my knowledge, the rates charged by Stikeman Elliott are comparable to the rates charged by other firms in the Toronto market for the provision of similar restructuring services.

10. This affidavit is sworn in support of a motion for, *inter alia*, the approval of the fees and disbursements of Stikeman Elliott and for no improper purpose.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario, on  
January 15, 2019.

  
Commissioner for taking affidavits



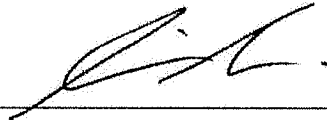
Elizabeth Pillon

**EXHIBIT "A"**

referred to in the Affidavit of

**ELIZABETH PILLON**

Sworn January 15, 2019

A handwritten signature in black ink, appearing to be 'J. L.', written over a horizontal line.

Commissioner for Taking Affidavits

**EXHIBIT "A"**

**Copies of Stikeman Elliott LLP's Invoices  
Services Rendered from April 1, 2018 to December 31, 2018**

# Stikeman Elliott

Stikeman Elliott LLP  
Barristers & Solicitors  
5300 Commerce Court West  
189 Bay Street  
Toronto, ON Canada M5L 1B9

Main: 416 869 5500  
Fax: 416 947 0886  
www.stikeman.com

GST / HST No. 1214111360001  
QST No. 1018978824

## Account

May 30, 2018

File No. 0334911030  
Invoice No. 5632494

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to May 16, 2018.

### Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Apr 26, 2018	E. Pillon	1.00	Conference call with R. Jaipargas/Richters re: Rockport mandate; discussion with S. Sopic re: file preparation and next steps;
Apr 26, 2018	S. Sopic	1.00	Review email correspondence with A. Sherman and R. Jaipargas re: potential new matter; conference call with Richters and company counsel re: same; discuss next steps with E. Pillon;
Apr 27, 2018	S. Sopic	1.17	Discuss next steps with E. Pillon; review comparison chart of recent cross-border insolvencies and email same to R. Jaipargas;
Apr 30, 2018	S. Sopic	2.50	Review statute, caselaw and precedent pre-filing reports and other materials for ancillary proceedings under the CCAA and email correspondence with E. Pillon re: same;
May 1, 2018	E. Pillon	0.33	Review status update emails; discussion with S. Sopic re: caselaw re: jurisdiction of ancillary proceedings;
May 1, 2018	S. Sopic	0.58	Discuss section 9 of the CCAA and commencement of ancillary proceedings with E. Pillon; email correspondence with R. Jaipargas re: same;
May 2, 2018	E. Pillon	0.33	Telephone call with A. Sherman re: update on potential filing;
May 2, 2018	S. Sopic	0.35	Discuss Aeropostale interim order; email correspondence with R. Jaipargas re: same;

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
May 3, 2018	S. Sopic	0.17	Discuss next steps and timing of U.S. and Canadian proceedings with E. Pillon;
May 7, 2018	E. Pillon	0.25	Telephone call with A. Sherman re: background information;
May 7, 2018	S. Sopic	0.23	Discuss status of US proceedings and timing of Canadian proceedings with E. Pillon;
May 8, 2018	E. Pillon	0.25	Update from BLG;
May 8, 2018	S. Sopic	0.18	Discuss next steps with E. Pillon; review miscellaneous email correspondence;
May 9, 2018	J.G.G. Legge	5.75	Multiple emails with E. Pillon, telephone calls with E. Pillon; review numerous documents; emails with A. Lipetz with documents; office conference with A. Lipetz to discuss security opinion; emails and telephone calls with SE Montreal re: QU security opinion;
May 9, 2018	A. Lipetz	1.13	Review emails and file notes; call with J. Legge and BLG; meeting with J. Legge;
May 9, 2018	E. Pillon	1.25	Emails/telephone calls re: security review; telephone call with Richters/BLG re: timing/DIP/security review;
May 9, 2018	E. Pillon	0.67	Discussion with J. Legge re: background/security review, update discussion;
May 9, 2018	E. Pillon	1.00	Conference call with Stikemans/Richters/Osler/BLG re: DIP lending terms and cashflows; discussion with Richters re: same;
May 9, 2018	E. Pillon	2.00	Review and comment on stalking horse agreement, cashflows, Canadian affidavit and review US declaration;
May 9, 2018	S. Sopic	3.53	Conference call with Richters re: current status of US proceedings, DIP budget and issues from Canadian perspective; conference call with DIP lenders re: same; review draft affidavit and miscellaneous email correspondence;
May 9, 2018	D. Tsarevsky	0.33	Internal correspondence and calls re: background of Quebec opinion required;
May 10, 2018	K. Campbell	0.10	Search summary review;
May 10, 2018	E. Lamarre	0.50	Conduct RDPRM searches against Rockport Canada ULC;
May 10, 2018	A. Lipetz	3.53	Draft opinion and review documents; emails with S. Sopic; discussion with J. Legge;
May 10, 2018	B.J. Lorusso	0.75	Re: Rockport Canada ULC, conduct PPSA, Bank Act and Ontario Writ Locator searches, order out of province searches for A. Lipetz;
May 10, 2018	E. Pillon	6.00	Telephone calls/emails re: noteholders DIP requests; review and comment on notice of application, initial order; telephone call with R. Jaipargas re: DIP; telephone call with A. Sherman; telephone call with J. Legge; review DIP terms; telephone call with Goodmans re: US DIP; telephone call with Richters re: US DIP/cashflows; telephone call with R. Jaipargas re: US DIP; draft potential



## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			endorsement/order language; review Payless/Intertan decisions; various telephone calls/emails re: preparation for filing; telephone call with B. O'Neill; telephone call with BLG/Richters;
May 10, 2018	S. Sopic	4.00	Review notice of application, affidavit and draft orders; revise same; email correspondence with A. Lipetz re: security opinion; review miscellaneous email correspondence re: DIP documents, progress of proceedings; review stalking horse agreement and comments on same; research precedent language re: unsecured creditors charge; discuss next steps with E. Pillon;
May 10, 2018	D. Tsarevsky	0.17	Coordinate RDPRM searches;
May 11, 2018	J.G.G. Legge	2.75	Email with A. Lipetz re: security opinion with draft, review and comment, email with and telephone message from A. Lipetz re: comments; review security and searches; telephone message from and email with E. Pillon re: update on credit agreement; email with H. Silverman with revised credit agreement, review revisions, telephone call with A. Lipetz re: comments;
May 11, 2018	A. Lipetz	0.80	Calls with J. Legge; revise opinion; review comments to opinion;
May 11, 2018	B.J. Lorusso	0.67	Re: Rockport Canada ULC, review search results and prepare summary report for A. Lipetz;
May 11, 2018	E. Pillon	3.50	Emails/telephone calls with J. Legge re: security review, DIP terms; emails/telephone calls with Goodmans/Oslers/Richters/BLG re: allocation; telephone call with Goodmans; telephone call with BLG re: potential concept of reserve/creditors charge language issues; review Houlihan valuation overview; emails re: comments on initial recognition order; review landlord letter;
May 11, 2018	S. Sopic	2.57	Revise initial recognition order and supplemental order based on language re: repayment of DIP facility and Canadian DIP ABL collateral; review email correspondence re: same; discuss next steps with E. Pillon;
May 12, 2018	A. Lipetz	0.92	Revise opinion;
May 12, 2018	E. Pillon	2.00	Various emails/telephone calls with A. Sherman/S. Abitan re: noteholders request re: language on US DIP/allocation agreement; conference call with lenders/debtors re: allocation issues; review and comment on draft language re: allocation agreement;
May 13, 2018	E. Pillon	1.25	Review and comment on sales guidelines; emails re: status of US filing, terms of stalking horse agreement;
May 14, 2018	E. Ashton	Fixed Fee	Confirm instructions; attend to various matters in connection with BC due diligence searches for Rockport Canada ULC;
May 14, 2018	E. Ashton	0.42	Prepare summary report in connection with BC due

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
May 14, 2018	E. Lamarre	0.80	diligence searches for Rockport Canada ULC; Produce summary report against Rockport Canada ULC;
May 14, 2018	J.G.G. Legge	3.75	Review, revise and comment on ON and QU opinions, emails and telephone call with A. Lipetz re: opinion and searches, email with Richters with draft opinions and searches; multiple emails with E. Pillon and Richters re: first day declaration, updates and background info with various docs, review ABL allocation, DIP budget and DIP motion, email from E. Pillon with IO report, review and email with E. Pillon with comments;
May 14, 2018	A. Lipetz	0.83	Revise opinion; emails with B. Lorusso, emails with J. Legge; review emails re: Quebec opinion;
May 14, 2018	E. Pillon	6.50	Telephone calls with R. Jaipargas; telephone call with J. Legge re: security agreement; emails with Richters re: US declaration, allocation agreement; telephone call with A. Sherman; emails with noteholders re: allocation agreement; review US declaration and DIP documents; email clarification questions to BLG; review Canadian affidavit; review final stalking horse agreement; review draft security opinion; prepare timeline documents and circulate; review emails re: background information; review and revise preliminary report; telephone calls with A. Sherman re: report; review emails re: sales guidelines;
May 14, 2018	S. Sopic	2.50	Review email correspondence re: DIP facility allocation agreement; review revisions to sale guidelines; review US DIP motion and email correspondence with E. Pillon and A. Sherman re: same; review security opinions; review draft report of Information Officer; discuss next steps with E. Pillon;
May 14, 2018	D. Tsarevsky	1.25	Prepare draft Quebec security opinion and circulate to J. Legge and H. Rosenoff for review; review RDPRM search results to ensure registration remains valid;
May 15, 2018	J.G.G. Legge	0.50	Emails, review documents, emails with E. Pillon re: intercompany notes;
May 15, 2018	E. Pillon	6.00	Review revised order and circulate; review comments; review emails re: follow-up cashflow questions; discuss same with R. Jaipargas/A. Sherman; review and comment on revised report; participate in US motions; update Information Officer report following hearing; review comments on report; telephone call with Richters re: update on Information Officer report and filing materials;
May 15, 2018	H.J. Rosenoff	0.33	Opinion review;
May 15, 2018	S. Sopic	6.67	Conference calls with Richters and company counsel re: terms of interim recognition order and supplemental order; provide suggested revisions to same; review revisions to Information Officer report;

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
May 16, 2018	E. Pillon	7.00	attend US first day hearings via teleconference; review revised Information Officer report and email correspondence re: language for draft orders and next steps; review email correspondence from landlord counsel and discussing same with E. Pillon;
May 16, 2018	S. Sopic	5.30	Review comments on report; discussion with Richters; emails/telephone calls re: report; finalize and circulate report; review application record and factum; prepare submissions for hearing; telephone calls/emails with R. Jaipargas re: recognition orders and Canadian first day hearings; telephone calls/emails with D. Bish/L. Galessiere re: first day hearings; telephone calls/emails with noteholders; revise and circulate orders; attend motion before Justice McEwen;
			Review comments on Information Officer's report; review and revise draft orders; review application record and factum and prepare for motion to recognize US proceedings; discuss same with E. Pillon; attend motion;

### **Fee Summary**

Professional Services	CAD \$74,938.45
HST @ 13.0%	9,742.00
<b>Total Professional Services and Taxes</b>	<b>CAD \$84,680.45</b>

### **Charges Summary**

<u>Description</u>	<u>Total</u>
Photocopies	381.00
HST @ 13.0%	49.53
<b>Total Charges and Taxes</b>	<b>CAD \$430.53</b>

### **Disbursements Summary**

<u>Description</u>	<u>Total</u>
Balliff Fees	22.00
Bank Act Security Registry Search	14.00
Court House Search QB	34.00
Oncorp Online non-taxable	31.30
Oncorp Online	91.20
Book Binding/Binders	12.88
HST @ 13.0%	22.63
<b>Total Disbursements and Taxes</b>	<b>CAD \$228.01</b>

# Stikeman Elliott

## Account Summary

Invoice No. 5632494  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	74,938.45	0.00	\$74,938.45
HST @ 13.0%			9,742.00
Charges	381.00	0.00	381.00
HST @ 13.0%			49.53
Disbursements	174.08	31.30	205.38
HST @ 13.0%			22.63
<b>Amount Due</b>			<b><u>CAD \$85,338.99</u></b>

Stikeman Elliott LLP

  
Elizabeth Pilon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.  
Please quote our File number and/or Invoice number 033491.1030/5632494 when making payment.

Payment can be wired as follows:

<u>Canadian Dollars</u>		<u>US Dollars</u>	
<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
<b>Bank #</b> 0010	<b>Transit #</b> 00002	<b>Bank #</b> 0010	<b>Transit #</b> 00002
<b>Swift Code</b> CIBCCATT		<b>Swift Code</b> CIBCCATT	
<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 87-12816	<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).

# **Stikeman Elliott**

Stikeman Elliott LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON Canada M5L 1B9

Main: 416 869 5500  
Fax: 416 947 0866  
www.stikeman.com

GST / HST No. 1214111360001  
QST No. 1018978624

## **Account**

June 27, 2018

File No. 0334911030  
Invoice No. 5843188

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to June 22, 2018.

## **Time Summary**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
May 9, 2018	A. Lipetz	0.12	Emails with J. Legge;
May 10, 2018	L. Osborne	0.83	Conduct due diligence searches for Rockport Canada ULC; prepare search summary report;
May 17, 2018	J.G.G. Legge	0.50	Finalize Ontario opinion and sign; email with D. Tsarevsky re: finalizing Quebec opinion;
May 17, 2018	S. Sopic	0.65	Review email correspondence re: miscellaneous matters;
May 18, 2018	J.G.G. Legge	0.33	Email with E. Pillon with relevant documents and correspondence from other counsel re: guarantee/allocation issues, review;
May 18, 2018	E. Pillon	1.00	Discussion with R. Jalpargas/Richters re: allocation agreement information; review information re: allocation agreement; telephone call with L. Galessiere; telephone call with A. Sherman;
May 18, 2018	S. Sopic	1.17	Review DIP motion, US declaration and DIP order re: terms of allocation agreement; email correspondence with E. Pillon re: same; email correspondence with E. Pillon re: outstanding matters;
May 18, 2018	D. Tsarevsky	0.17	Coordinate revisions to opinion per comments from H. Rosenoff and execution of revised opinion;
May 20, 2018	E. Pillon	0.67	Review and comment on list of additional information requests re: allocation agreement;
May 22, 2018	J.G.G. Legge	1.25	Email with D. Tsarevsky re: Quebec opinion with executed copy, finalize and forward final opinions to A. Sherman; emails with E. Pillon re: allocation, office conference with E. Pillon, A. Lipetz and S. Sopic re:

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			guarantee and allocation issues; email with A. Lipetz re: DIP credit agreement with revised draft; discuss subrogation issues;
May 22, 2018	A. Lipetz	0.75	Meeting with S. Sopic, E. Pillon and J. Legge; discussion with J. Legge re: same;
May 22, 2018	C. Lofft	0.75	Meeting with E. Pillon and S. Sopic re: effect of guarantee and equitable allocation;
May 22, 2018	E. Pillon	1.75	Meeting with J. Legge re: allocation/guarantee issues; meeting with C. Lofft re: research; review and comment on issues list for allocation agreement; discussion with A. Sherman re: same;
May 22, 2018	S. Sopic	3.77	Meeting with E. Pillon and J. Legge to discuss allocation of ABL prepetition and DIP liability to Rockport Canada; discuss research questions re: same; review US declaration, Information Officer Pre-filing Report and Rockport Group materials filed on first day motion re: allocation issues; meeting with C. Lofft to discuss research on subrogation rights and equity analysis on enforcement of guarantees outside of insolvency; discuss next steps with E. Pillon; review email correspondence re: miscellaneous matters;
May 22, 2018	D. Tsarevsky	0.25	Finalize revised Quebec opinion and provide to J. Legge;
May 23, 2018	E. Pillon	1.00	Discussion with A. Sherman; telephone call with L. Galessiere; emails re: Edmonton location, ancillary proceedings claim process;
May 23, 2018	S. Sopic	1.27	Review email correspondence re: US store closing motion and bid procedures motion; review store closing motion; update timeline;
May 24, 2018	J.G.G. Legge	0.50	Office conference with A. Lipetz, review statute, email with A. Lipetz re: draft correspondence on subrogation rights in DIP credit agreement;
May 24, 2018	A. Lipetz	1.02	Review DIP agreement and credit agreement re: subrogation; meeting with J. Legge; draft email;
May 24, 2018	E. Pillon	1.00	Discussion with S. Sopic re: ancillary proceedings; review caselaw; emails re: Edmonton lease location, store closing guidelines; discussion with J. Legge re: allocation agreement;
May 24, 2018	S. Sopic	4.00	Research application of US v. Canadian law to Canadian operations in ancillary CCAA proceedings; discuss same with E. Pillon; research effects of confirmation of US plan on substantive rights of Canadian creditors;
May 25, 2018	J.G.G. Legge	0.75	Email with E. Pillon re: restructuring agreements; review draft correspondence on waiver of subrogation, revise, email with A. Lipetz with comment, telephone call with A. Lipetz, further email with E. Pillon;
May 25, 2018	A. Lipetz	0.47	Discussions with J. Legge; email to E. Pillon summarizing review of waiver of subrogation rights;
May 25, 2018	E. Pillon	2.00	Review and comment on landlord's draft agreement; review US sales guidelines motion; emails with Richters/BLG re: landlord's agreement; review

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			ancillary proceedings caselaw; discussion with S. Sopic re: same; emails re: waiver of subrogation provisions, Edmonton lease liens;
May 25, 2018	S. Sopic	2.00	Review landlord agreement; discuss same and US store closing motion with E. Pillon; review email correspondence re: waiver of subrogation rights; review US bidding procedures motion;
May 28, 2018	C. Lofft	2.25	Research on joint liability and suretyship; draft notes to file;
May 28, 2018	E. Pillon	3.25	Review debtor's comments on landlord agreement; emails re: same; meeting with landlords/Canadian counsel/Information Officer re: sales guidelines; update S. Sopic; emails re: landlord representatives, KERPs; review research re: allocation issues; discussion with S. Sopic;
May 28, 2018	S. Sopic	2.45	Review US motion re: payment of critical and foreign vendors; review Nortel allocation decision and email E. Pillon re: fairness analysis in same; review revisions to landlord agreement and discuss same with E. Pillon;
May 29, 2018	E. Pillon	1.00	Review updates re: Edmonton lease and landlord agreement, consultant agreement motion materials; discussion with J. Latham; landlord update;
May 29, 2018	S. Sopic	1.27	Review US motion to appointment of a liquidation consultant; review email correspondence re: recognition of US orders in Canada;
May 30, 2018	J.G.G. Legge	0.50	Emails with E. Pillon and A. Lipetz re: waiver of subrogation, telephone call with A. Lipetz;
May 30, 2018	A. Lipetz	0.28	Email to E. Pillon summarizing provisions in pre-filing and ABL credit agreement;
May 30, 2018	C. Lofft	5.50	Continue research on nature of joint liability and suretyship; telephone call with S. Sopic re: preliminary findings; research on subrogation, joint liability, common law rights of contribution and indemnity; draft notes to file; research on Houlder case;
May 30, 2018	E. Pillon	1.25	Review response from Houlihan re: initial financial disclosure; discussion with S. Sopic; telephone call with Richters re: allocation agreement data;
May 30, 2018	S. Sopic	3.50	Review data room documents for Project Marathon provided by Houlihan; discuss same with E. Pillon; review US motion to approve retainer of consultant; discuss subrogation research with C. Lofft;
May 31, 2018	J.G.G. Legge	0.33	Telephone call with E. Pillon, discuss subrogation;
May 31, 2018	A. Lipetz	0.20	Call and emails with S. Sopic;
May 31, 2018	C. Lofft	4.17	Continue research on subrogation (case law); draft outline of memo; research on characterization of joint liability vs guarantor; research on interpretation of principal debtor clauses (case law);
May 31, 2018	E. Pillon	0.50	Review subrogation information; discussion with J. Legge;
May 31, 2018	E. Pillon	0.50	Review materials from Houlihan;
May 31, 2018	E. Pillon	1.00	Conference call with Richters re: allocation

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
May 31, 2018	E. Pillon	1.33	agreement; Conference call with Richters, Houlihan and debtors re: allocation agreement; follow-up discussions with Richters;
May 31, 2018	S. Sopic	3.50	Review email correspondence re: waiver of subrogation in DIP and ABL; discuss same with A. Lipetz; review waterfall analysis provided in data room by Houlihan; research equity analysis in treatment of guarantors v. principal debtors in insolvency and discuss same with E. Pillon; conference call with Richter re: documents provided by Houlihan; conference call with counsel to the Rockport Group, counsel to Rockport Canada and Richter re: same;
Jun 1, 2018	C. Lofft	4.83	Continue research on guarantee and subrogation, draft memo segments on subrogation, joint liability and guarantee; draft summary conclusions; email from Sanja Sopic re: principal debtor language; revise and edit memo; email draft memo to E. Pillon and S. Sopic; meeting with E. Pillon and S. Sopic to discuss draft memo;
Jun 1, 2018	E. Pillon	2.50	Draft allocation agreement term sheet, circulate to Richters; review emails re: allocation agreement; discussion with C. Lofft re: subrogation issues and caselaw; emails re: US motions timelines, Edmonton lease lien issues; emails re. landlords agreements;
Jun 1, 2018	S. Sopic	2.00	Review US store closing, bid procedures and liquidation consultant appointment motions and summarize same; discuss research with E. Pillon and C. Lofft;
Jun 4, 2018	J.G.G. Legge	0.33	Email with E. Pillon re: allocation agreement with revised draft; email with E. Pillon re: waiver of subrogation with memo on subrogated rights; telephone call with E. Pillon;
Jun 4, 2018	E. Pillon	1.00	Telephone calls/emails re: sales motion; telephone calls/emails with Richters/Richards, Layton & Finger re: allocation agreement; telephone calls with A. Sherman re: allocation agreement;
Jun 4, 2018	S. Sopic	1.07	Review research memo re: right of subrogation and review relevant provisions of DIP and ABL; review draft allocation agreement proposed by Information Officer; discuss next steps with E. Pillon; email correspondence re: US bidding procedures motion;
Jun 5, 2018	J.G.G. Legge	0.50	Telephone call with E. Pillon re: searches and opinion; review files re: other jurisdictions, email E. Pillon with info;
Jun 5, 2018	E. Pillon	0.25	Telephone call with R. Jalpargas;
Jun 5, 2018	E. Pillon	0.25	Emails/telephone calls with J. Legge re: security opinion;
Jun 5, 2018	E. Pillon	0.33	Telephone call with A. Sherman re: allocation agreement;
Jun 5, 2018	E. Pillon	0.25	Emails with landlords re: upcoming hearing;
Jun 5, 2018	E. Pillon	0.75	Meeting with Richters re: allocation agreement; revise and circulate agreement;



## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jun 5, 2018	E. Pillon	1.25	Participate in US bidding procedures hearing;
Jun 5, 2018	E. Pillon	0.25	Emails with Richters/US counsel re: objections;
Jun 5, 2018	S. Sopic	2.35	Review draft allocation agreement and discuss same with E. Pillon; meeting with Richter to discuss figures for proposed allocation agreement; listen to US bidding procedures motion;
Jun 6, 2018	E. Pillon	1.50	Prepare overview/history of allocation agreement issues for Richters/US counsel;
Jun 6, 2018	E. Pillon	1.00	Conference call with Richters/US counsel re: US objection;
Jun 6, 2018	E. Pillon	1.00	Emails re: updates from Richters/debtors re: status of allocation agreement, upcoming motion, use of information in objection;
Jun 6, 2018	S. Sopic	1.50	Conference call with Information Officer's US counsel re: objection to final DIP order; review draft objection prepared by E. Pillon and discuss same; review US cash management order and excerpting ringfencing language; circulate additional information to Information Officer's US counsel to assist with objection;
Jun 7, 2018	E. Pillon	4.00	Telephone call with R. Jaipargas re: allocation agreement; update client; review Q&As re: allocation agreement; draft section of objection; review and comment on draft Report re: US motions; conference call with Rockport debtors re: allocation agreement; telephone call with A. Sherman;
Jun 7, 2018	S. Sopic	2.00	Finalize summaries of various US motions and email to Richters; review email correspondence re: draft objection and status of discussions with counsel for Rockport Canada and noteholders;
Jun 8, 2018	E. Pillon	6.50	Review and revise US objection; conference call with Richters and US counsel re: objection; emails re: outstanding information for objection; review revised objection and comment; conference call with Richters/US counsel to finalize objection; telephone call with Richters; review US motion materials;
Jun 10, 2018	E. Pillon	2.25	Review UCC objection; emails to Richters re: upcoming hearing; review US motion to assign contracts; telephone calls/emails with Goodmans re: UCC counter proposal; telephone call with A. Sherman; update Richters;
Jun 10, 2018	S. Sopic	0.55	Review email correspondence re: follow up questions for Rockport Canada counsel re: status of US stalking horse process and proposed ABL liability allocation; review objection to recognition of final DIP order filed by Official Committee of Unsecured Creditors;
Jun 11, 2018	J.G.G. Legge	0.33	Email with E. Pillon re: IO objection to final DIP motion/order, review;
Jun 11, 2018	E. Pillon	4.50	Telephone call with B. O'Neill; update client; various emails/telephone calls with noteholders re: allocation agreement; review and comment on draft motion materials; telephone call with landlords to update them re: allocation agreement; telephone call with

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			Richters/US counsel re: preparation for hearing; discussion with Richters; prepare and circulate counterproposal; emails re: priority payables;
Jun 11, 2018	S. Sopic	3.50	Review objection of UCC to approval of final DIP order; conference call with landlord counsel re: hearing to seek approval of final DIP order; discuss same with E. Pillon; review miscellaneous email correspondence re: upcoming DIP approval motion, recognition of same in Canada, revised Information Officer offer on DIP allocation; discuss next steps with E. Pillon; draft list of additional terms to be included in US final DIP and cash management orders;
Jun 12, 2018	E. Pillon	7.50	Various emails/telephone calls re: status of US hearing, counterproposal provided by Information Officer, quantum of prepetition debt; review DIP noteholders reply; review debtors' reply and declaration; telephone call with US debtors/noteholders re: proposal, US hearing, terms of order; emails/telephone calls re: requested changes to US DIP order; meeting with Delaware counsel re: hearing; prepare submissions for hearing;
Jun 12, 2018	S. Sopic	1.53	Review Debtor's reply to Information Officer objection on DIP allocation; review draft notice of motion and order of Rockport Canada in connection with recognition hearing; discuss same with E. Pillon;
Jun 13, 2018	E. Pillon	9.75	Prepare for hearing; meeting with Delaware counsel; attend hearing before Justice Silverstein (US Court); review and comment on draft Report for Canadian hearing;
Jun 13, 2018	S. Sopic	4.00	Review final form of US DIP order and compare to interim DIP order; listen to US hearings re: approval of final DIP order and other relief; email correspondence with E. Pillon re: same and re: service of Information Officer's Report;
Jun 14, 2018	E. Pillon	2.50	Review emails/finalize Report; review motion materials; prepare for and attend motion to recognize US orders; telephone call with landlord's counsel; discussion with Richters;
Jun 14, 2018	S. Sopic	2.50	Review motion record of Rockport Canada; review First Report of Information Officer and comments on same; serve same; attend motion seeking recognition of US second day orders; email correspondence with P. Patel re: same; review US second day orders granted;
Jun 15, 2018	E. Pillon	0.50	Discussion with noteholders' counsel; update client;
Jun 18, 2018	E. Pillon	1.00	Meeting with Richters; participate in conference call to obtain ruling; discussion with Richters; telephone call with D. Bish; telephone call with J. Legge;
Jun 18, 2018	S. Sopic	1.17	Participate in hearing in US court via telephone conference re: decision on granting of final DIP order; discuss same with E. Pillon and P. Patel;
Jun 19, 2018	S. Sopic	0.82	Review Rockport timeline; email correspondence with E. Pillon re: same;

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jun 20, 2018	E. Pillon	0.33	Review GST statement; discussion with S. Sopic; review update re: SISP process;
Jun 20, 2018	S. Sopic	0.92	Review Canadian landlord agreement and US sale guidelines; discussion with E. Pillon; phone call with R. Jaipargas re: landlord at West Edmonton mall;
Jun 22, 2018	E. Pillon	0.33	Review US updates; review working capital structure;

### Fee Summary

Professional Services	CAD \$108,370.50
HST @ 13.0%	14,088.17
Total Professional Services and Taxes	CAD \$122,458.67

### Charges Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	136.00		136.00
Total Charges	136.00	0.00	136.00
HST @ 13.0%			17.68
Total Charges and Taxes			CAD \$153.68

### Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Agents' Fees	787.31		787.31
PPSA Search	3.00		3.00
Registry Office Search	9.00		9.00
Registry Office Searches		9.00	9.00
Travel - Airfare	1,255.38		1,255.38
Travel - Out of Town	433.28		433.28
Travel - Taxis	53.10		53.10
Total Disbursements	2,541.07	9.00	2,550.07
HST @ 13.0%			330.34
Total Disbursements and Taxes			CAD \$2,880.41

# Stikeman Elliott

## Account Summary

Invoice No. 5643188  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	108,370.50	0.00	\$108,370.50
HST @ 13.0%			14,088.17
Charges	136.00	0.00	136.00
HST @ 13.0%			17.68
Disbursements	2,541.07	9.00	2,550.07
HST @ 13.0%			330.34
<b>Amount Due</b>			<b><u>CAD \$125,492.76</u></b>

Stikeman Elliott LLP



Elizabeth Pillon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 033491.1030/5643188 when making payment.

Payment can be wired as follows:

### Canadian Dollars

Bank  
CIBC, 199 Bay Street, Commerce Court West,  
Main Branch, Toronto M5L 1G9

Bank #                      Transit #  
0010                      00002

Swift Code  
CIBCCATT

Beneficiary                      Account #  
Stikeman Elliott LLP                      87-12816  
199 Bay Street, Commerce Court West,  
Main Branch  
Toronto, ON M5L 1G9

### US Dollars

Bank  
CIBC, 199 Bay Street, Commerce Court West,  
Main Branch, Toronto M5L 1G9

Bank #                      Transit #  
0010                      00002

Swift Code  
CIBCCATT

Beneficiary                      Account #  
Stikeman Elliott LLP                      04-92019  
199 Bay Street, Commerce Court West, Main  
Branch  
Toronto, ON M5L 1G9

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).

# **Stikeman Elliott**

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Main: 416 868 5500  
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GST / HST No. 1214111380001  
QST No. 1018978624

## **Account**

July 30, 2018

File No. 0334911030  
Invoice No. 5845543

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to July 20, 2018.

## **Time Summary**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jun 22, 2018	S. Sopic	0.85	Review notice of supplemental potential assumption and assignment of executory contracts or unexpired leases; review stipulation with respect to discharge of lien on Edmonton property; email correspondence re: same;
Jun 25, 2018	E. Pillon	0.50	Review updated financial information; discussion with S. Sopic;
Jun 25, 2018	S. Sopic	1.70	Review additional financial documents added to data room by Houlihan Lokey; discuss same with E. Pillon; compare borrowing base certificates for May against version used in proposed ABL allocation and earlier borrowing base certificates in data room;
Jun 26, 2018	J.G.G. Legge	0.17	Email with E. Pillon with borrowing base cert and DIP budget from Houlihan Lokey/ U.S. debtors;
Jun 26, 2018	E. Pillon	1.50	Emails re: U.S. sales approval motion and form of order; review draft order; discussion with S. Sopic re: list of issues to Canadianize order; telephone calls/emails with Richters; emails re: borrowing base certificate; review update emails re: Edmonton lease;
Jun 26, 2018	S. Sopic	3.07	Review U.S. sale approval order and compare to model order; discuss same with E. Pillon; email correspondence with Womble Bond Dickinson and BLG re: same; review notices of potential assignment and assumption of executory contracts and unexpired leases;
Jun 27, 2018	J.G.G. Legge	0.75	Office conference with E. Pillon and S. Sopic, review

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			spreadsheets for DIP budget and borrowing base sent, discuss issues on allocation;
Jun 27, 2018	E. Pillon	3.25	Telephone call with A. Sherman/R. Jaipargas; review and circulate comments on sale approval order; review sales motion record; discussion with J. Legge/S. Sopic re: borrowing base and debt allocation issues; emails with U.S. counsel re: U.S. disclaimer; review email from noteholders and revised final DIP order; review emails re: upcoming disclaimer/omnibus motion;
Jun 27, 2018	S. Sopic	4.38	Draft list of Canadian issues arising from U.S. sale approval order; review U.S. sale approval order and motion; review email correspondence re: same; review U.S. procedures for assignment and assumption of contracts and leases and email correspondence re: same; research orders approving U.S. sales granted in other ancillary proceedings; meeting with J. Legge and E. Pillon to discuss borrowing base certificates and DIP budget; review final DIP order; discuss same with E. Pillon;
Jun 28, 2018	E. Pillon	3.50	Review UCC term sheet and comment; review draft U.S. final DIP order; prepare for call to discuss update; telephone calls/emails with U.S. counsel re: disclaimer, process for U.S. final orders; telephone calls/emails with R. Jaipargas/A. Sherman re: final DIP order and UCC term sheet; conference call with counsel for debtors, noteholders, UCC, ABL re: final DIP order and circulate amendments to UCC term sheet and final DIP order; review comments and revised U.S. orders; various emails/telephone calls with Richters re: same;
Jun 28, 2018	S. Sopic	2.20	Revise time line of Canadian and U.S. Rockport proceedings; review email correspondence re: form of final U.S. DIP order and UCC settlement attached as final DIP addendum; conference call with counsel for Rockport Canada, Rockport US, UCC and noteholders re: same; review proposed revisions and additions of Information Officer to final U.S. DIP order and UCC supplement;
Jun 29, 2018	E. Pillon	0.83	Emails with landlords; update call with M. Citak, L. Galessiere, D. Bish;
Jun 29, 2018	E. Pillon	0.50	Review Houlihan Lokey estimates/proceeds allocation;
Jun 29, 2018	S. Sopic	1.13	Updating Rockport timeline of U.S. and Canadian proceedings; conference call with Information Officer and counsel for landlords re: current status of U.S. proceedings and next steps in Canada;
Jul 3, 2018	J.G.G. Legge	0.17	Email with E. Pillon re: extending opinion;
Jul 3, 2018	E. Pillon	1.00	Emails re: UCC review of noteholder liens, ABL security opinion, sales agreement objection, status of qualified bids; review updated disclosure;
Jul 3, 2018	S. Sopic	1.97	Review updated borrowing base certificate, DIP budget and liquidation scenarios in data room; discuss same with E. Pillon; review email correspondence re: revisions to U.S. final DIP Order; review U.S. Final DIP Order, DIP budget and DIP supplement as entered with the U.S.

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			Court; review email correspondence re: liens on Edmonton location and stipulation agreed to;
Jul 4, 2018	E. Pillon	0.75	Review updated cashflow information; emails re: objection to sales approval hearing; review lease assignment update; telephone call with A. Sherman;
Jul 4, 2018	S. Sopic	0.47	Review second supplemental notice of the contracts/ leases the stalking horse purchaser may acquire; email correspondence with E. Pillon re: same;
Jul 5, 2018	E. Pillon	2.00	Various emails/telephone calls with Richters, BLG and U.S. counsel re: sale approval motion and draft order; review draft lease disclaimer motion, bar date motion; emails with noteholders' U.S. counsel re: allocation of debt status;
Jul 5, 2018	S. Sopic	2.15	Review email correspondence re: draft revisions to U.S. sale order, and extension of deadline to object; review U.S. bar date motion;
Jul 6, 2018	E. Pillon	0.25	Review emails re: upcoming U.S. motions, landlords' requests for information;
Jul 6, 2018	S. Sopic	0.60	Review U.S. lease rejection motion; email correspondence with A. Sherman and P. Patel re: upcoming report;
Jul 9, 2018	E. Pillon	0.50	Review draft notice, stalking horse notice; provide comments on notice of motion; emails with noteholders re: proposal;
Jul 9, 2018	S. Sopic	0.58	Review email correspondence re: recognition of U.S. sale order, final DIP order and Houlihan Lokey retention; review email correspondence re: allocation of DIP proceeds, debt and expenses;
Jul 10, 2018	J.G.G. Legge	0.25	Email with E. Pillon re: update on bids and allocation issue; email with E. Pillon re: Canadian waterfall analysis, telephone call with E. Pillon;
Jul 10, 2018	E. Pillon	0.50	Review Richters' allocation calculations;
Jul 10, 2018	E. Pillon	1.25	Discussion with Richters re: same;
Jul 10, 2018	E. Pillon	0.25	Emails re: objection deadline for sales approval;
Jul 10, 2018	E. Pillon	0.33	Review revised waterfall analysis and comment;
Jul 10, 2018	E. Pillon	0.25	Emails re: U.S. employee claims; update J. Legge re: waterfall;
Jul 10, 2018	E. Pillon	0.17	Review emails re: landlord updates;
Jul 10, 2018	E. Pillon	0.50	Review Adidas complaint/objection;
Jul 10, 2018	S. Sopic	2.88	Conference call with Richter re: Canada waterfall analysis; review same; reviewing email correspondence re: objection to U.S. sale hearing and issues raised by Canadian landlords; review emergency complaint filed by Rockport against Adidas and Reebok;
Jul 11, 2018	E. Pillon	3.00	Prepare form of objection; discussion with Richters, Womble Bond Dickinson; review and finalize; telephone call with Womble Bond Dickinson; various telephone calls/emails with A. Sherman re: Adidas objection and hearing, allocation issues; review update re: hearing from S. Sopic; review revised allocation overview and email

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			proposal; discuss same with A. Sherman; emails with noteholders re: status of allocation review; review Rockport response to Adidas objection;
Jul 11, 2018	S. Sopic	2.23	Dial into U.S. hearing in connection with Rockport complaint against Adidas and Reebok; make notes re: same and email E. Pillon; reviewing email correspondence re: U.S. sale objection and allocation agreement; review filed reservation of rights with respect to U.S. sale hearing; review email correspondence re: proposal on allocation issues and next steps with respect to Rockport Canada;
Jul 12, 2018	E. Pillon	2.50	Telephone call with D. Stroik re: liquidation update and noteholder objection; various emails/telephone calls with Richters re: proposal for allocation issues, landlord response to proposal, liquidation issues; review and comment on draft motion materials for July 20th; review cashflows;
Jul 12, 2018	S. Sopic	3.28	Review draft order and notice of motion for sale approval; review materials forwarded by Prime Clerk and filed in the Chapter 11 proceedings; draft summary of issues for upcoming Information Officer reports and email correspondence with E. Pillon re: same;
Jul 13, 2018	E. Pillon	3.50	Emails/telephone calls re: proposal re: allocation issues and noteholders response; emails/telephone calls re: liquidity situation; revise and circulate comments on factum; telephone call with A. Sherman; emails with noteholders re: objection / liquidation issues; telephone call with S. Abitan; telephone call with D. Stroik; update Richters re: noteholders discussions;
Jul 13, 2018	S. Sopic	0.77	Discussing ABL issue and next steps with E. Pillon; review email correspondence re: third proposal of Information Officer on allocation and outstanding information requests;
Jul 14, 2018	E. Pillon	1.83	Various emails/telephone calls re: ABL liquidity position, overall noteholder resolution, updated cashflow information;
Jul 15, 2018	E. Pillon	3.50	Telephone call with A. Sherman; various emails/telephone calls re: ABL liquidity situation; conference call with Rockport US, Houlihan Lokey, noteholders; telephone call with A. Sherman; review update emails re: cashflows; follow up call with Richters, M. Desgrosseilliers (Womble Bond Dickinson US) ; revise draft language re: stipulation; review and circulate information re: cashflow requirements;
Jul 15, 2018	S. Sopic	1.08	Conference call with counsel for Rockport Canada, Rockport Group, noteholders and Information Officer re: additional reserves taken by ABL and funds to be released for Canada in light of liquidity crisis; review email correspondence re: same;
Jul 16, 2018	E. Pillon	7.50	Various emails/telephone calls re: form of stipulation and sale approval order; review revised sale approval order; provide comments; telephone call with Womble Bond



## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			Dickinson US; participate in hearing re: sale approval motion; follow up discussions with Richters and BLG; telephone call with R. Jalpargas post-hearing; review revised stipulation and sale approval orders and provide comments; emails with noteholders and debtor re: same; review and comment on draft affidavit; emails with BLG re: same; draft outline of report; telephone calls/emails with U.S. counsel re: priority status and revisions to stipulation and sale approval order;
Jul 16, 2018	S. Sopic	9.60	Phone call with counsel for noteholders re liquidity crisis and terms of proposed stipulation; dial into U.S. sale approval hearing; review email correspondence re proposed stipulation on amendment to cash management order and additional provisions for sale approval order; review Adidas objection; draft summary of U.S. motions for inclusion in upcoming Information Officer report; review Rockport Canada affidavit for recognition of U.S. sale approval order;
Jul 17, 2018	E. Pillon	1.50	Telephone calls and emails with S. Abitan re: status of intercompany transfer, distribution order, status of objection, emails re: priority payables and borrowing base requests from ABL;
Jul 17, 2018	E. Pillon	3.00	Review schedule of proposed distributions and discussions with Richters; emails re: updated provisions of order re: Canadian intercompany transfers; review response from noteholders and company; emails re: draft Information Officer report; various telephone calls/emails with Richters and Womble Bond Dickinson U.S. re: status of objection, response to noteholders, demand for intercompany transfers; telephone calls/emails with R. Jalpargas re: status of objection and intercompany transfers demanded from Canada;
Jul 17, 2018	S. Sopic	3.43	Draft summaries of U.S. motions for upcoming Information Officer report; review Rockport Canada's motion materials; review Adidas Objection; call with counsel for Rockport Canada re: terms of Canadian recognition order; review email correspondence re: provisions to be included in stipulation and sale approval order; review Rockport Group estimated schedule of distributions;
Jul 18, 2018	E. Pillon	0.25	Review revised stipulation and sale approval order and comment; telephone call with A. Sherman re: same;
Jul 18, 2018	E. Pillon	0.33	Review ABL comments on sale approval order and comment;
Jul 18, 2018	E. Pillon	0.25	Review revised Canadian recognition order and comment;
Jul 18, 2018	E. Pillon	0.25	Emails/telephone calls with S. Abitan re: ABL comments on order;
Jul 18, 2018	E. Pillon	0.33	Review and comment on revised affidavit;
Jul 18, 2018	E. Pillon	0.17	Review Adidas order;
Jul 18, 2018	E. Pillon	1.25	Review and comment on second report;

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jul 18, 2018	E. Pillon	0.25	Discussions/emails with Richters re: report;
Jul 18, 2018	S. Sopic	1.58	Reviewing draft report of the Information Officer; review email correspondence re: requested changes to Canadian order recognizing U.S. sale; phone call with R. Jaipargas re: same; review final entered order approving stipulation and revisions to cash management order, and final U.S. sale order; review email correspondence re: same;
Jul 19, 2018	E. Pillon	2.00	Review BLG comments on report; finalize second report; emails/telephone calls with Richters re: same; emails with ABL, noteholders re: second report; serve and file report; emails re: landlords' questions re: intercompany transfers;
Jul 19, 2018	S. Sopic	1.53	Review second report of the Information Officer and comments received on same; email correspondence with BLG re: service list; discuss next steps with E. Pillon;
Jul 20, 2018	E. Pillon	4.00	Prepare for and participate in hearing before Justice McEwen re: recognition of Final DIP order and sale approval order; emails re: CRA claims re: GST;
Jul 20, 2018	S. Sopic	0.70	Review email correspondence re landlord objection to recognition of U.S. sale order; discuss same with E. Pillon, discuss outcome of U.S. sale order recognition motion with E. Pillon;

### **Fee Summary**

Professional Services	CAD \$78,715.00
HST @ 13.0%	10,232.95
<b>Total Professional Services and Taxes</b>	<b>CAD \$88,947.95</b>

### **Charges Summary**

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	59.25		59.25
Total Charges	59.25	0.00	59.25
HST @ 13.0%			7.70
<b>Total Charges and Taxes</b>			<b>CAD \$66.95</b>

# Stikeman Elliott

## Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Agents' Fees	60.00		60.00
Book Binding/Binders	2.48		2.48
Total Disbursements	62.48	0.00	62.48
HST @ 13.0%			8.12

Total Disbursements and Taxes

CAD \$70.60

## Account Summary

Invoice No. 5645543  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	78,715.00	0.00	\$78,715.00
HST @ 13.0%			10,232.95
Charges	59.25	0.00	59.25
HST @ 13.0%			7.70
Disbursements	62.48	0.00	62.48
HST @ 13.0%			8.12
Amount Due			<u>CAD \$89,085.50</u>

Stikeman Elliott LLP

  
Elizabeth Pillon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 033491.1030/5645543 when making payment.

# **Stikeman Elliott**

Payment can be wired as follows:

Canadian Dollars		US Dollars	
Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
Bank # 0010	Transit # 00002	Bank # 0010	Transit # 00002
Swift Code CIBCCATT		Swift Code CIBCCATT	
Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 87-12816	Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 04-92018

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).

# Stikeman Elliott

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199 Bay Street  
Toronto, ON Canada M5L 1B9

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GST / HST No. 1214111360001  
GST No. 1018978624

## Account

August 14, 2018

File No. 0334911030  
Invoice No. 5651684

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to August 3, 2018.

## Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jul 23, 2018	E. Pillon	0.25	Emails re: upcoming motion and form of report, email to seek update re: Adidas settlement;
Jul 24, 2018	E. Pillon	1.50	Review and comment on draft notice of motion, affidavit and order re: recognition orders for July 30th motion; review draft Adidas settlement;
Jul 24, 2018	S. Sopic	0.78	Reviewing email correspondence re Adidas settlement. Reviewing affidavit to be filed for recognition of US omnibus motion. Reviewing E. Pillon's comments on same.
Jul 25, 2018	E. Pillon	0.67	Review Adidas motion and comment on draft order; emails re: Adidas settlement language and protections; emails re: upcoming motions and timing; emails re: counter offer on ABL allocation issues;
Jul 25, 2018	S. Sopic	2.35	Reviewing email correspondence re Adidas settlement and reservation of rights language. Reviewing motion to approve Adidas settlement and summarizing same.
Jul 26, 2018	E. Pillon	0.67	Review and comment on draft Information Officer report; emails re: Adidas settlement and reservation of rights issues;
Jul 26, 2018	S. Sopic	3.07	Reviewing US motion to approve Adidas settlement, draft order and settlement. Summarizing same for insertion into fourth IO report. Email correspondence

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Jul 27, 2018	S. Sopic	3.18	with E. Pillon re same. Reviewing fourth IO report. Reviewing comments on third IO report. Phone calls and email correspondence with R. Jaipargas re same. Arranging for third IO report to be served and filed. Revising summary of Adidas motion for inclusion in fourth IO report. Email correspondence and calls with P. Patel re miscellaneous issues.
Jul 27, 2018	A.J. Taylor	0.42	Conversation with S. Sopic
Jul 29, 2018	S. Sopic	3.78	Reviewing IO Reports and outlining submissions for tomorrow's motion recognizing US bar date order, lease rejection order and Edmonton lease stipulations.
Jul 30, 2018	S. Sopic	5.13	Preparing for and attending motion recognizing US Lease Rejection, Claims Bar Date and Edmonton Lease Stipulation Orders. Dialling into US hearing re Adidas settlement. Reviewing draft Notice of Motion, Order and Affidavit of Rockport Canada in connection with recognition motion for Adidas settlement. Email correspondence with P. Patel and A. Lockhart re final payroll and source deductions. Reviewing draft fourth report of the IO.
Jul 30, 2018	A.J. Taylor	2.25	Review Information Officer's Report; attendance at court.
Jul 31, 2018	E. Pillon	0.33	Review and comment on forth Report / Adidas settlement, emails regarding same
Jul 31, 2018	S. Sopic	0.95	Reviewing email correspondence re employee issues and payment of source deductions. Email correspondence with P. Patel re fourth IO report. Serving same and arranging to be filed. Preparing for tomorrow's motion.
Aug 1, 2018	S. Sopic	3.07	Preparing for and attending motion for Canadian recognition of Adidas settlement. Discussing same with A. Taylor. Email correspondence with E. Pillon re same.
Aug 1, 2018	A.J. Taylor	1.83	Attendance at Recognition Hearing; conversation S. Sopic;
Aug 3, 2018	S. Sopic	0.05	Reviewing email correspondence re closing of sale transaction.

### **Fee Summary**

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Amount</u>
E. Pillon	3.42	\$975.00	\$3,334.50
S. Sopic	22.36	550.00	12,298.00
A.J. Taylor	4.50	975.00	4,387.50

## Stikeman Elliott

Professional Services	CAD \$20,020.00
HST @ 13.0%	2,602.60
Total Professional Services and Taxes	CAD \$22,622.60

### Charges Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	34.25		34.25
Total Charges	34.25	0.00	34.25
HST @ 13.0%			4.45
Total Charges and Taxes			CAD \$38.70

### Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Agents' Fees	55.00		55.00
Business Meals - In Town	10.20		10.20
Total Disbursements	65.20	0.00	65.20
HST @ 13.0%			8.48
Total Disbursements and Taxe			CAD \$73.68

### Account Summary

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	20,020.00	0.00	\$20,020.00
HST @ 13.0%			2,602.60
Charges	34.25	0.00	34.25
HST @ 13.0%			4.45
Disbursements	65.20	0.00	65.20
HST @ 13.0%			8.48
Amount Due			<u>CAD \$22,734.98</u>

Stikeman Elliott LLP

  
\_\_\_\_\_  
Elizabeth Pillon

# **Stikeman Elliott**

**Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.**

Disbursements and charges may not have been posted at the date of this account.  
Please quote our File number and/or Invoice number 033491.1030/5651664 when making payment  
Payment can be wired as follows:

Canadian Dollars				US Dollars			
<b>Bank</b>				<b>Bank</b>			
CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9				CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9			
<b>Bank #</b>		<b>Transit #</b>		<b>Bank #</b>		<b>Transit #</b>	
0010		00002		0010		00002	
<b>Swift Code</b>				<b>Swift Code</b>			
CIBCCATT				CIBCCATT			
<b>Beneficiary</b>			<b>Account #</b>	<b>Beneficiary</b>			<b>Account #</b>
Stikeman Elliott LLP			87-12816	Stikeman Elliott LLP			04-92019
199 Bay Street, Commerce Court West				199 Bay Street, Commerce Court West, Main			
Main Branch				Branch			
Toronto, ON M5L 1G9				Toronto, ON M5L 1G9			

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).



# Stikeman Elliott

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GST / HST No. 1214111360001  
QST No. 1018978624

## Account

September 6, 2018

File No. 0334911030  
Invoice No. 5860291

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to August 31, 2018.

## Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Aug 3, 2018	E. Pillon	0.25	Review update emails re: closing date of transaction, name change requirements and working capital calculations;
Aug 7, 2018	E. Pillon	0.25	Review email re: allocation issue discussions, update on status;
Aug 7, 2018	S. Sopic	0.17	Discuss status of allocation discussions with E. Pillon; review email correspondence re: same;
Aug 8, 2018	E. Pillon	0.17	Telephone call with M. Citak;
Aug 8, 2018	S. Sopic	0.78	Review notice of filing of list of purchased contracts and third supplemental assignment and assumption notice; email correspondence with E. Pillon re: same; email correspondence with E. Pillon re: treatment of Canadian landlord claims in US claims process;
Aug 9, 2018	E. Pillon	0.33	Review working capital calculations and information from Rockport US;
Aug 9, 2018	S. Sopic	0.08	Review email correspondence re: working capital adjustment in stalking horse APA and impact on Canadian creditors;
Aug 13, 2018	E. Pillon	0.33	Review revised waterfall analysis;
Aug 13, 2018	S. Sopic	0.18	Review Canadian waterfall analysis prepared by Richters;

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Aug 14, 2018	E. Pillon	1.25	Conference call with Richters re: allocation estimates;
Aug 14, 2018	E. Pillon	0.33	Revise settlement offer re: allocation issues; circulate to Richters;
Aug 14, 2018	S. Sopic	0.73	Review draft revised offer of Information Officer with respect to allocation issues; review updated Canadian waterfall analysis;
Aug 15, 2018	E. Pillon	0.25	Review and comment on revised waterfall analysis;
Aug 15, 2018	S. Sopic	0.08	Review email correspondence re: proposed offer of Information Officer with respect to resolution of allocation of costs, debt and proceeds of sale transaction;
Aug 16, 2018	E. Pillon	0.50	Review revised waterfall analysis; revise settlement proposal re: allocation issues and circulate to Information Officer and WBD for comment;
Aug 17, 2018	E. Pillon	1.25	Telephone call with P. Patel; review WBD comments on counter allocation; revise and circulate counter offer re: allocation issues;
Aug 17, 2018	S. Sopic	1.10	Review email correspondence re Information Officer offer re: allocation issues; review Canadian waterfall analysis and discussing with E. Pillon;
Aug 23, 2018	E. Pillon	0.25	Review update email re: HST audit status;
Aug 23, 2018	S. Sopic	0.25	Review notice of agenda of matters scheduled for hearing on August 27 <sup>th</sup> ; review fourth supplemental notice of assignment and assumption of executory contracts;
Aug 30, 2018	E. Pillon	0.50	Review revised waterfall from Houlihan Lokey; discussion with A. Sherman; circulate plan to US counsel with instructions;
Aug 31, 2018	E. Pillon	1.83	Review financial information and waterfall provided by Houlihan Lokey; review Richters' comments; review and comment on draft plan; review updated corporate information provided by Houlihan Lokey;
Aug 31, 2018	S. Sopic	0.23	Review email correspondence re Rockport US counter-offer to Information Officer's proposal re: allocation issues;

### **Fee Summary**

Professional Services	CAD \$9,282.75
HST @ 13.0%	1,206.76
<b>Total Professional Services and Taxes</b>	<b>CAD \$10,489.51</b>

## Stikeman Elliott

### Disbursements Summary

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Agents' Fees	220.00		220.00
Total Disbursements	220.00	0.00	220.00
HST @ 13.0%			28.60
Total Disbursements and Taxes			CAD \$248.60

### Account Summary

Invoice No. 5660291  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	9,282.75	0.00	\$9,282.75
HST @ 13.0%			1,206.76
Disbursements	220.00	0.00	220.00
HST @ 13.0%			28.60
Amount Due			<u>CAD \$10,738.11</u>

Stikeman Elliott LLP

  
\_\_\_\_\_  
Elizabeth Pilon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 033491.1030/5660291 when making payment.

# **Stikeman Elliott**

Payment can be wired as follows:

Canadian Dollars		US Dollars	
<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
<b>Bank #</b> 0010	<b>Transit #</b> 00002	<b>Bank #</b> 0010	<b>Transit #</b> 00002
<b>Swift Code</b> CIBCCATT		<b>Swift Code</b> CIBCCATT	
<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 87-12816	<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).

# Stikeman Elliott

Stikeman Elliott LLP  
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5300 Commerce Court West  
199 Bay Street  
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Main: 416 869 5500  
Fax: 416 947 0866  
www.stikeman.com

GST / HST No. 1214111360001  
QST No. 1018978624

## Account

October 11, 2018

File No. 0334911030  
Invoice No. 5668072

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to September 30, 2018.

## Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Sep 4, 2018	E. Pillon	1.83	Review Womble Bond Dickinson (WBD) comments on draft plan; discussion with A. Sherman re: same; draft response to US debtors; conference call with WBD/Richters re: plan and settlement options; emails with Rockport US;
Sep 4, 2018	S. Sopic	1.52	Review E. Pillon comments on plan and WBD replies to same; participate in call with WBD to discuss; discuss next steps with E. Pillon;
Sep 5, 2018	E. Pillon	1.17	Preparation call with Richters; conference call with Houlihan Lokey / Richards, Layton & Fingers (RLF) / WBD / Stikemans / Richters re: plan; follow-up call with Richters / WBD; email to landlords;
Sep 5, 2018	S. Sopic	1.00	Review waterfall prepared by Houlihan Lokey; conference call with counsel for RLF, WBD and Richters re: terms of US plan and treatment of Canadian class; discuss same with E. Pillon;
Sep 6, 2018	E. Pillon	0.75	Update call with landlords; review updated financial information from Houlihan Lokey;
Sep 6, 2018	S. Sopic	0.72	Review email correspondence re: allocation issue and treatment of Canadian creditors in US plan; review documents filed on Prime Clerk;
Sep 7, 2018	E. Pillon	0.33	Emails re: updated financial information re: plan;

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Sep 7, 2018	S. Sopic	0.30	Review email correspondence re: treatment of Canadian class of creditors in US plan;
Sep 10, 2018	E. Pillon	1.50	Telephone call with Richters; update email to WBD; review and comment on cover email to debtors re: allocation agreement; review WBD comments on plan; insert comments; emails with WBD re: plan/claim review;
Sep 10, 2018	S. Sopic	0.27	Review WBD revisions to plan and email correspondence re: same;
Sep 11, 2018	E. Pillon	1.00	Telephone call with P. Patel/WBD re: plan amendments and comments, allocation agreement; emails re: Adidas settlement;
Sep 11, 2018	S. Sopic	1.00	Conference call with Richters re: WBD and Stikemans comments on US plan; review Adidas settlement and email correspondence with Richters re: same;
Sep 12, 2018	S. Sopic	0.20	Review notice of motion for US debtor's upcoming omnibus motion returnable October 3 <sup>rd</sup> ; email correspondence with E. Pillon re: same;
Sep 14, 2018	E. Pillon	0.17	Review emails re: status of plan filings;
Sep 17, 2018	E. Pillon	0.33	Emails re: status re: plan; telephone call with A. Sherman; review earlier terms of order re: allocation approval; email US debtors re: update;
Sep 17, 2018	S. Sopic	0.77	Review interim DIP order and final DIP order to confirm that proposed ABL liability allocation is to be placed before US and Canadian courts for approval; review email correspondence re: Information Officer comments on draft plan and response to same;
Sep 18, 2018	S. Sopic	0.13	Review email correspondence re: filing of plan and Rockport US response to Information Officer comments;
Sep 20, 2018	E. Pillon	0.25	Emails re: status of plan;
Sep 21, 2018	E. Pillon	1.75	Review comments from Houlihan Lokey/Rockport US on plan; review revised plan and prepare overview of issues; telephone call with A. Sherman re: plan;
Sep 22, 2018	E. Pillon	0.50	Emails re: plan amendments;
Sep 24, 2018	E. Pillon	0.33	Review revised Rockport plan;
Sep 25, 2018	E. Pillon	1.50	Review revised plan; prepare for call with Houlihan Lokey; telephone call with WBD re: plan comments; telephone call with Richters re: allocation discussions and plan;
Sep 26, 2018	E. Pillon	3.00	Review P. Patel comparison chart; telephone call with A. Sherman; emails with Richters re: allocation review; conference call with Richters, BLG, Houlihan Lokey, WBD re: allocation agreement and plan; follow up telephone call with P. Patel/S. Sopic re: updated schedule and form of draft objection;
Sep 26, 2018	S. Sopic	2.30	Reviewing comparative analysis of Information Officer proposal re: ABL allocation against Houlihan Lokey counter-proposal; conference call with Rockport US, Rockport Canada, Houlihan and

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Sep 30, 2018	E. Pillon	0.25	Information Officer re: draft plan filed for approval and outstanding Information Officer information requests; call with P. Patel re: same; review email correspondence re: same and discuss with E. Pillon; Emails re: plan comments; review update emails;

### **Fee Summary**

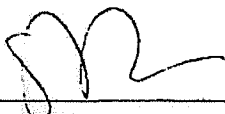
Professional Services	CAD \$18,809.00
HST @ 13.0%	2,445.17
<b>Total Professional Services and Taxes</b>	<b>CAD \$21,254.17</b>

### **Account Summary**

Invoice No. 5668072  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	18,809.00	0.00	\$18,809.00
HST @ 13.0%			2,445.17
<b>Amount Due</b>			<b><u>CAD \$21,254.17</u></b>

**Stikeman Elliott LLP**

  
\_\_\_\_\_  
Elizabeth Pillon

**Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.**

Disbursements and charges may not have been posted at the date of this account.  
Please quote our File number and/or Invoice number 033491.1030/5668072 when making payment.

# Stikeman Elliott

Payment can be wired as follows:

Canadian Dollars		US Dollars	
<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		<b>Bank</b> CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
<b>Bank #</b> 0010	<b>Transit #</b> 00002	<b>Bank #</b> 0010	<b>Transit #</b> 00002
<b>Swift Code</b> CIBCCATT		<b>Swift Code</b> CIBCCATT	
<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 87-12816	<b>Beneficiary</b> Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	<b>Account #</b> 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).



## Stikeman Elliott

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199 Bay Street  
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GST / HST No. 1214111360001  
QST No. 1018978624

### Account

November 7, 2018

File No. 0334911030  
Invoice No. 5676526

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to October 31, 2018.

### Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Oct 1, 2018	E. Pillon	2.25	Review Rockport US responses re: plan; telephone calls with P. Patel re: allocation discussions; review and comment on allocation schedule; review revised schedule;
Oct 1, 2018	S. Sopic	0.22	Review draft waterfall prepared by Information Officer;
Oct 2, 2018	E. Pillon	1.50	Review revised allocation waterfall; discussion with Houlihan Lokey, Richards, Layton & Fingers ("RLF"), BLG, Richters, Stikemans re: plan and allocation waterfall; discussion with S. Sopic re: objection; update landlords; review and revise plan amendments;
Oct 2, 2018	S. Sopic	1.42	Conference call with counsel for US debtors, Rockport Canada and financial advisors re: outstanding information requests pertaining to plan and Information Officer positions on waterfall; discuss same with E. Pillon;
Oct 3, 2018	E. Pillon	1.00	Update call to landlords; review update emails from Richters re: claims registers; review updated comments on Rockport plan;
Oct 3, 2018	S. Sopic	0.42	Review previous objection and reservation of rights filed by Information Officer in Rockport proceedings

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			and reservation of rights language in cash management, DIP and sale orders;
Oct 4, 2018	E. Pillon	0.33	Emails re: QST update and plan update;
Oct 4, 2018	S. Sopic	1.93	Draft objection to combined US plan and disclosure statement;
Oct 5, 2018	E. Pillon	2.00	Telephone call with A. Sherman re: status of negotiations and objection; emails with RLF; telephone call with R. Jaipargas; review draft objection; discussion with S. Sopic;
Oct 5, 2018	S. Sopic	4.65	Drafting IO objection to US plan and combined disclosure statement; discuss same with E. Pillon;
Oct 6, 2018	E. Pillon	3.50	Review and revise objection for plan disclosure statement;
Oct 6, 2018	S. Sopic	2.05	Revise Information Officer objection to combined plan and disclosure statement; email correspondence with E. Pillon re: same;
Oct 8, 2018	E. Pillon	1.00	Emails re: objection; review revised objection; review P. Patel comments;
Oct 8, 2018	S. Sopic	2.92	Revise IO objection to plan solicitation approval motion;
Oct 9, 2018	E. Pillon	3.50	Review and finalize objection; discussion with Richters re: Houlihan Lokey counter-offer and potential response; discussion with A. Sherman; conference call with Stikemans, Richters, WBD to discuss objection and counter-offer; review revised plan language; review update from P. Patel re: Houlihan Lokey discussions; update landlords; review Chubb, UCC objections;
Oct 9, 2018	S. Sopic	0.98	Call with Richter to discuss settlement offer received from US debtors and noteholders; discuss same and revised deadline for filing IO objection with E. Pillon; review email correspondence re: same;
Oct 10, 2018	E. Pillon	1.00	Telephone calls/emails with Richters and WBD re: allocation of debt agreement; update emails with landlords;
Oct 10, 2018	S. Sopic	1.22	Review email correspondence re: settlement offer received from US debtors and noteholders; review US debtors' revisions to plan incorporating same and comment on same; email correspondence with E. Pillon re: same;
Oct 11, 2018	E. Pillon	1.00	Review revised plan and circulate comments; review and respond to noteholders' final comments;
Oct 11, 2018	S. Sopic	0.27	Reviewing additional IO revisions to plan and email correspondence re: same;
Oct 12, 2018	E. Pillon	1.50	Delaware hearing re: disclosure statement; discussion with Richters; discussion with S. Sopic; telephone call with WBD; update landlords;
Oct 12, 2018	S. Sopic	1.35	Dial into US hearing for interim approval of combined plan and disclosure statement; call with R. Jaipargas re: same; review email correspondence re: same;

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Oct 16, 2018	E. Pillon	0.25	Emails with WBD and Stikemans re: final form of plan;
Oct 16, 2018	S. Sopic	0.63	Review amended plan/disclosure statement filed by US debtors and order approving disclosure statement and solicitation procedures; email correspondence with E. Pillon re: voting deadline;
Oct 17, 2018	S. Sopic	0.22	Email correspondence with landlord counsel re: order approving disclosure statement and solicitation procedures and voting deadline for submission of votes re: treatment of general unsecured claims against Rockport Canada;
Oct 31, 2018	S. Sopic	0.35	Review US debtor's first motion to reject certain misclassified claims; email correspondence with E. Pillon re: same;

### **Fee Summary**

Professional Services	CAD \$28,605.75
HST @ 13.0%	3,718.75
Total Professional Services and Taxes	CAD \$32,324.50

### **Disbursements Summary**

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Corporate Search N/T		71.23	71.23
PPSA Search N/T		16.00	16.00
PPSA Search	24.90		24.90
Corporate Search	35.60		35.60
Telephone	48.58		48.58
Total Disbursements	109.08	87.23	196.31
HST @ 13.0%			14.18
Total Disbursements and Taxes			CAD \$210.49

# Stikeman Elliott

## Account Summary

Invoice No. 5676526  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	28,605.75	0.00	\$28,605.75
HST @ 13.0%			3,718.75
Disbursements	109.08	87.23	196.31
HST @ 13.0%			14.18
Amount Due			<b><u>CAD \$32,534.99</u></b>

Stikeman Elliott LLP



Elizabeth Pillon

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Disbursements and charges may not have been posted at the date of this account.  
Please quote our File number and/or Invoice number 033491.1030/5676526 when making payment.

Payment can be wired as follows:

Canadian Dollars		US Dollars	
Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
Bank # 0010	Transit # 00002	Bank # 0010	Transit # 00002
Swift Code CIBCCATT		Swift Code CIBCCATT	
Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 87-12816	Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 04-92019

Please include client number on transfer documents.

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# Stikeman Elliott

Stikeman Elliott LLP  
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5300 Commerce Court West  
189 Bay Street  
Toronto, ON Canada M5L 1B9

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GST / HST No. 1214111360001  
QST No. 1018978624

## Account

December 10, 2018

File No. 0334911030  
Invoice No. 5683061

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to November 30, 2018.

## Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Oct 24, 2018	S. Sopic	0.37	Meeting with P. Joseph to discuss background of file, prepare affidavits for fee approval and Information Officer report to be filed seeking approval of fees and activities;
Oct 25, 2018	S. Sopic	0.28	Compile Information Officer reports and search for precedent fee affidavits; email correspondence with P. Joseph re: same;
Oct 26, 2018	P. Joseph	0.78	General review of Information Officer reports and draft order motion;
Oct 29, 2018	P. Joseph	0.92	Discuss Information Officer motion and attached affidavits;
Nov 1, 2018	S. Sopic	0.95	Review Rockport US motions to reclassify claims received and designate certain claims in full or in part; email correspondence with E. Pillon and Richter re: same;
Nov 5, 2018	P. Joseph	1.17	Draft fee affidavit for client;
Nov 5, 2018	E. Pillon	0.50	Review plan administration agreement; discussion with S. Sopic;
Nov 5, 2018	S. Sopic	1.50	Discuss Rockport Canada plan administrator agreement with E. Pillon; review same and compare to plan;
Nov 6, 2018	P. Joseph	0.27	Draft fee affidavit;

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Nov 6, 2018	E. Pillon	0.33	Discussions/emails re: plan administration agreement; discussion with S. Sopic;
Nov 6, 2018	S. Sopic	1.42	Review plan administrator agreement and E. Pillon's revisions to same; call with Womble Bond Dickinson ("WBD") re suggested revisions to agreement; calls and email correspondence with Richters re: timing of fee approval affidavit, discharge as Information Officer and appointment as plan administrator;
Nov 7, 2018	E. Pillon	1.50	Review revised plan administrator agreement; discussion with S. Sopic; review revised agreement; conference call with Richters re: plan administrator agreement and role;
Nov 7, 2018	S. Sopic	1.50	Review WBD revisions to plan administrator agreement; call with Richters to discuss same; call with WBD to discuss Information Officer comments and questions on plan administrator agreement;
Nov 8, 2018	E. Pillon	0.33	Update landlords re: proposed plan administrator role; discussion with S. Sopic re: upcoming motion;
Nov 8, 2018	S. Sopic	0.55	Discuss timing of Information Officer discharge and termination of ancillary proceedings with E. Pillon; email correspondence with Richters re: same; call with R. Jaipargas re: same;
Nov 9, 2018	E. Pillon	0.33	Emails re: status of plan administrator agreement and upcoming Canadian recognition and discharge motion;
Nov 9, 2018	S. Sopic	0.68	Email correspondence with E. Pillon re: timing of discharge of Information Officer and termination of ancillary proceedings; call with WBD re: same; email to Richters re: same;
Nov 12, 2018	P. Joseph	0.48	Draft fee affidavit;
Nov 12, 2018	S. Sopic	0.30	Meeting with P. Joseph to discuss Stikeman fee affidavit for upcoming fee and activity approval motion and notice of motion for same; search for precedent notice of motion;
Nov 13, 2018	E. Pillon	0.33	Emails with BLG/Richters re: chambers appointment to discuss plan administration;
Nov 13, 2018	S. Sopic	0.38	Review email correspondence re: upcoming 9:30 appointment to update the Court on upcoming US plan confirmation and approval of plan administrator agreement; email correspondence with P. Joseph re: affidavit for fee and activity approval;
Nov 14, 2018	E. Pillon	0.50	Call with Richters/BLG;
Nov 14, 2018	S. Sopic	1.67	Call with BLG and Information Officer re: outstanding matters in ancillary proceedings and upcoming motion for recognition of plan confirmation, fee and activity approval, discharge of Information Officer and termination of ancillary proceedings; discuss 9:30 scheduling appointment with Commercial List; prepare and finalize Commercial List request form re: same; review DAMA stipulation; email correspondence with Richters re: same;

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Nov 15, 2018	P. Joseph	0.45	Draft fee affidavit;
Nov 16, 2018	E. Pillon	0.33	Emails; prepare for chambers appearance;
Nov 19, 2018	P. Joseph	0.22	Draft fee affidavit;
Nov 19, 2018	E. Pillon	1.25	Telephone call with R. Jalpargas; review CRA/MRQ claims; attend 9:30 appointment with Justice McEwen;
Nov 19, 2018	S. Sopic	0.48	Call with WBD re: comparison of plan administrator agreement to liquidating trust agreement; email correspondence with E. Pillon re: same;
Nov 20, 2018	E. Pillon	0.25	Review emails re: sanction hearing and plan supplement;
Nov 20, 2018	S. Sopic	0.22	Email correspondence with client re revisions to plan administrator agreement;
Nov 26, 2018	E. Pillon	0.25	Emails re: upcoming hearing and plan administrator agreement;
Nov 29, 2018	S. Sopic	1.30	Calls with BLG and Receiver re: scheduling of motion recognizing US plan confirmation; email correspondence with Commercial List re: same; arrange for date to be scheduled;

### **Fee Summary**

Professional Services	CAD \$14,191.70
HST @ 13.0%	1,844.92
<b>Total Professional Services and Taxes</b>	<b>CAD \$16,036.62</b>

# Stikeman Elliott

## Account Summary

Invoice No. 5683061  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	14,191.70	0.00	\$14,191.70
HST @ 13.0%			1,844.92
Amount Due			<b><u>CAD \$16,036.62</u></b>

Stikeman Elliott LLP



Elizabeth Pillon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account. Please quote our File number and/or Invoice number 033491.1030/5683061 when making payment.

Payment can be wired as follows:

Canadian Dollars		US Dollars	
Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
Bank # 0010	Transit # 00002	Bank # 0010	Transit # 00002
Swift Code CIBCCATT		Swift Code CIBCCATT	
Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 87-12816	Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReceivable@stikeman.com](mailto:TORAccountsReceivable@stikeman.com).



# Stikeman Elliott

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189 Bay Street  
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GST / HST No. 1214111380001  
QST No. 1018978624

## Account

December 31, 2018

File No. 0334911030  
Invoice No. 5690059

Richter Advisory Group Inc.  
181 Bay Street  
Suite 3320  
Toronto, ON M5J 2T3

Attention: Adam Sherman

**For Professional Services Rendered** in connection with The Rockport Group for the period up to December 31, 2018.

## Time Summary

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
Dec 4, 2018	P. Joseph	0.12	Review Rockport draft notice of motion, order and CFO affidavit;
Dec 6, 2018	E. Pillon	0.25	Review update emails re: status of plan and agreement;
Dec 6, 2018	S. Sopic	0.12	Review email correspondence re: filing of tax return by Rockport Canada plan administrator;
Dec 7, 2018	S. Sopic	0.13	Review notice re adjournment of US plan confirmation motion; email correspondence with E. Pillon re: same;
Dec 9, 2018	E. Pillon	0.25	Emails re: US hearing and Canadian recognition;
Dec 10, 2018	E. Pillon	0.33	Telephone call with R. Jaipargas; emails re: upcoming recognition hearing;
Dec 10, 2018	S. Sopic	0.65	Calls and email correspondence with BLG re: postponement of US plan confirmation hearing motion; email correspondence with E. Pillon and client re: same; email correspondence with Womble Bond Dickinson ("WBD") re: fee affidavit to be prepared;
Dec 11, 2018	P. Joseph	0.13	Review update emails;
Dec 11, 2018	E. Pillon	0.50	Review Rockport reports; emails with landlords;
Dec 11, 2018	S. Sopic	0.17	Email correspondence with Richters and BLG re: timing of Canadian motions to recognize US plan

## Stikeman Elliott

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			confirmation, terminate Information Officer and terminate ancillary proceedings; review email correspondence from WBD re: Hemisphere claim;
Dec 12, 2018	E. Pillon	1.67	Review and comment on draft confirmation order motion materials; review earlier plan documents and disclosure order; emails with WBD re: upcoming motion;
Dec 12, 2018	S. Sopic	0.67	Review email correspondence re US plan confirmation motion, draft plan confirmation order and procedural steps ahead of US plan confirmation motion; search for motion seeking interim approval of combined plan and disclosure statement and US plan confirmation hearing;
Dec 13, 2018	E. Pillon	0.33	Review revised plan and email Richters/WBD;
Dec 13, 2018	S. Sopic	0.15	Review E. Pillon revisions to Rockport Blocker motion materials re: recognition of plan confirmation and ancillary relief;
Dec 14, 2018	E. Pillon	0.33	Emails re: plan amendments;
Dec 14, 2018	S. Sopic	0.15	Review email correspondence re: revised plan and potential issues affecting Rockport Canada Fund;
Dec 16, 2018	E. Pillon	0.17	Review Rockport update emails;
Dec 17, 2018	E. Pillon	2.00	Emails re: US plan and upcoming motion; discussion with P. Patel and WBD re: amended plan; review US motion materials, amended plan, voting results;
Dec 17, 2018	S. Sopic	1.38	Review email correspondence re: plan supplement and filing of tax returns; discuss same with E. Pillon; email correspondence with Commercial List and BLG re timing of motion for termination of ancillary proceedings and discharge of Information Officer;
Dec 18, 2018	E. Pillon	1.33	Emails/telephone calls with Alvarez & Marsal, Richters and WBD re: final form of plan, obligations re: tax preparation, joint administration motion;
Dec 18, 2018	S. Sopic	0.38	Email correspondence with Commercial List and BLG re reserving date for hearing of motion to terminate ancillary proceedings and discharge Information Officer;
Dec 19, 2018	E. Pillon	2.75	Participate in US motion; discussion with P. Patel re: motion materials; review revised motion materials and comment; discussion with BLG re: same; review and comment on draft report; discussion with P. Patel; emails with L. Galessiere re: upcoming motion;
Dec 19, 2018	S. Sopic	2.85	Dial into US confirmation hearing; discuss same with E. Pillon and P. Patel; research PIPEDA and anti-spam language to be included in Canadian recognition order of US plan confirmation; review preliminary draft of Fifth Information Officer report;
Dec 20, 2018	E. Pillon	1.50	Review BLG comments on report; finalize report; review factum; prepare for hearing; discussion with S. Sopic;
Dec 20, 2018	S. Sopic	3.77	Review comments on draft Fifth Information Officer report; arrange for same to be served; review motion

## **Stikeman Elliott**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
			materials and final version of Fifth Information Officer report; prepare for tomorrow's motion;
Dec 21, 2018	E. Pilon	1.00	Attend hearing before Justice McEwen re: recognition of confirmation order;
Dec 21, 2018	S. Sopic	2.50	Attend motion seeking recognition of various US orders including plan confirmation order, and making submissions on behalf of the Information Officer;
Dec 27, 2018	E. Pilon	0.50	Emails re: joint administration motion, plan administrator agreement; finalizing plan, plan implementation certificate; finalize plan administrator agreement;
Dec 28, 2018	E. Pilon	1.67	Review revised plan administrator agreement; emails re: finalizing PAA, plan and flow of funds; emails re: joint administration motions;
Dec 29, 2018	S. Sopic	0.20	Review email correspondence re final version of Canadian plan administrator agreement and motion to modify joint administration order;
Dec 31, 2018	E. Pilon	1.25	Various emails re: finalizing plan, flow of funds, plan administrator agreement;

### **Fee Summary**

Professional Services	CAD \$22,770.25
HST @ 13.0%	2,960.13
<b>Total Professional Services and Taxes</b>	<b>CAD \$25,730.38</b>

### **Charges Summary**

<u>Description</u>	<u>Taxable</u>	<u>Non - Taxable</u>	<u>Total</u>
Photocopies	0.50		0.50
Total Charges	0.50	0.00	0.50
HST @ 13.0%			0.07
<b>Total Charges and Taxes</b>			<b>CAD \$0.57</b>

# Stikeman Elliott

## Account Summary

Invoice No. 5690059  
File No. 0334911030  
Re: The Rockport Group

	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Total</u>
Professional Services	22,770.25	0.00	\$22,770.25
HST @ 13.0%			2,960.13
Charges	0.50	0.00	0.50
HST @ 13.0%			0.07
<b>Amount Due</b>			<b><u>CAD \$25,730.95</u></b>

Stikeman Elliott LLP



Elizabeth Pillon

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.  
Please quote our File number and/or Invoice number 033491.1030/5690059 when making payment.

Payment can be wired as follows:

Canadian Dollars		US Dollars	
Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9	
Bank # 0010	Transit # 00002	Bank # 0010	Transit # 00002
Swift Code CIBCCATT		Swift Code CIBCCATT	
Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 87-12816	Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	Account # 04-92019

Please include client number on transfer documents.

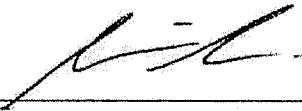
If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at [TORAccountsReivable@stikeman.com](mailto:TORAccountsReivable@stikeman.com).

**EXHIBIT "B"**

referred to in the Affidavit of

**ELIZABETH PILLON**

Sworn January 15, 2019



Commissioner for Taking Affidavits

**EXHIBIT "B"**

**Summary of Stikeman Elliott LLP's Invoices  
Services Rendered from April 1, 2018 to December 31, 2018**

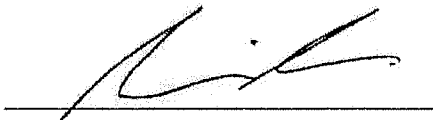
<b>Invoice No.</b>	<b>Date</b>	<b>Fee</b>	<b>Expenses</b>	<b>HST</b>	<b>Total</b>
5632494	May 30, 2018	74,938.45	586.38	9,814.16	85,338.99
5643188	June 27, 2018	108,370.50	2,686.07	14,436.19	125,492.76
5645543	July 30, 2018	78,715.00	121.73	10,248.77	89,085.50
5651664	August 14, 2018	20,020.00	99.45	2,615.53	22,734.98
5660291	September 6, 2018	9,282.75	220.00	1,235.36	10,738.11
5668072	October 11, 2018	18,809.00	0.00	2,445.17	21,254.17
5676526	November 7, 2018	28,605.75	196.31	3,732.93	32,534.99
5683061	December 10, 2018	14,191.70	0.00	1,844.92	16,036.62
5690059	December 31, 2018	22,770.25	0.50	2,960.13	25, 730.95
<b>TOTAL</b>		<b>375,703.40</b>	<b>3,910.44</b>	<b>49,333.16</b>	<b>428,947</b>

**EXHIBIT "C"**

referred to in the Affidavit of

**ELIZABETH PILLON**

Sworn January 15, 2019



---

Commissioner for Taking Affidavits

**EXHIBIT "C"**  
**Summary of Stikeman Elliott LLP's Invoices**  
**Services Rendered from April 1, 2018 to December 31, 2018**

NAME	POSITION	HOURLY RATE	HOURS	TOTAL
Elizabeth Pillon	Partner	975.00	224.44	218,829.00
Ashley Taylor	Partner	975.00	4.50	4,387.50
Sanja Sopic	Associate	550.00	201.94	111,067.00
Patricia Joseph	Associate	480.00	4.54	2,179.20
Jennifer Legge	Partner	1,050.00	19.41	20,380.50
Howard Rosenoff	Partner	950.00	0.33	313.50
Chris Lofft	Counsel	605.00	17.50	10,587.50
Daniel Tsarevsky	Associate	540.00	2.17	1,171.80
Andie Lipetz	Associate	530.00	7.21	5,326.50
Kasey Campbell	Associate	310.00	0.10	31.00
Beatrice Lorusso	Law Clerk	330.00	1.42	468.60
Elizabeth Ashton	Law Clerk	290.00	0.42	471.80
Erica Lamerre	Paralegal	185.00	1.30	240.50
Laura Osborne	Law Clerk	300.00	0.83	249.00
SUB-TOTAL			486.11	375,703.40
TOTAL			486.11	375,703.40



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY  
INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK  
FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")  
APPLICATION OF RELAY BLOCKER, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, AS AMENDED**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF ELIZABETH PILLON  
(SWORN JANUARY 15, 2019)**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Elizabeth Pillon** LSO#: 35638M  
Tel: (416) 869-5623  
E-mail: [lpillon@stikeman.com](mailto:lpillon@stikeman.com)

**Sanja Sopic** LSO #: 66487P  
Tel: (416) 869-6825  
E-mail: [ssopic@stikeman.com](mailto:ssopic@stikeman.com)  
Fax: (416) 947-0866

**Lawyers for the Information Officer**

## **APPENDIX K**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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

AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS,  
LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY  
CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC,  
DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY  
OPCO CANADA ULC (THE "DEBTORS")

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

(Applicants)

AFFIDAVIT OF ERICKA F. JOHNSON  
(SWORN JANUARY 16, 2019)

I, Ericka F. Johnson, of the City of Wilmington, in the State of Delaware, MAKE  
OATH AND SAY:

1. I am an attorney with the law firm of Womble Bond Dickinson (US) LLP ("WBD"), lawyers for Richter Advisory Group Inc. ("Richter") in its capacity as the Information Officer in the above-noted proceedings and, as such, I have knowledge of the matters to which I hereinafter depose.
2. This affidavit is sworn in support of a motion for, *inter alia*, the approval of the fees and disbursements of WBD for the period from June 5, 2018 to December 31, 2018, inclusive.
3. During the period from June 5, 2018 to December 31, 2018, WBD docketed 223.1 hours, amounting to legal fees invoiced in the amount of \$112,875.00 (USD) and disbursements and other charges in the amount of \$1,820.41 (USD).
4. Attached hereto and marked collectively as Exhibit "A" are copies of the invoices rendered by WBD to Richter, in its capacity as Information Officer, from June 5, 2018 to

December 31, 2018. Certain confidential and/or privileged information may have been redacted from the invoices. All amounts identified therein are in United States Dollars.

5. Attached hereto as Exhibit "B" is a schedule summarizing each invoice included in Exhibit "A", including the fees, expenses, and total fees charged in each invoice. All amounts identified therein are in United States Dollars.

6. Attached hereto as Exhibit "C" is a schedule summarizing the billing rates and total amounts billed with respect to each member of WBD who rendered services to Richter, in its capacity as Information Officer. All amounts identified therein are in United States Dollars.

7. Additional professional time has been required following January 1, 2019 as part of winding up these proceedings and further time is expected to be required. WBD estimates the fees for this additional professional time will be no more than \$7,500.00 (USD), exclusive of disbursements.

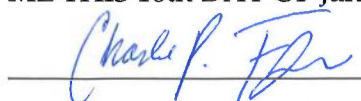
8. The hourly billing rate applied in the invoices of WBD were no more than WBD's normal hourly rates which were in effect from June 5, 2018 to the present, and are comparable to the hourly rates charged by WBD for services rendered in relation to similar proceedings. On October 1, 2018, in accordance with normal WBD procedure, WBD's hourly rates were increased as reflected in Exhibit "C".

9. To the best of my knowledge, the rates charged by WBD are comparable to the rates charged by other firms for the provision of similar restructuring services.

10. This affidavit is sworn in support of a motion for, *inter alia*, the approval of the fees and disbursements of WBD and for no improper purpose.

  
Ericka F. Johnson, Esquire

SUBSCRIBED AND SWORN TO BEFORE  
ME THIS 16th DAY OF January, 2019

  
Notary Public

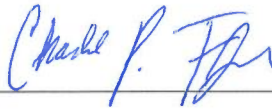
CHADD P. FITZGERALD  
NOTARY PUBLIC  
STATE OF DELAWARE  
My Commission Expires July 22, 2019

**EXHIBIT "A"**

referred to in the Affidavit of

**ERICKA F. JOHNSON**

Sworn January 16, 2019



Notary Public

**CHADD P. FITZGERALD**

**NOTARY PUBLIC**

**STATE OF DELAWARE**

My Commission Expires July 22, 2019



**EXHIBIT "A"**

**Copies of Womble Bond Dickinson (US) LLP's Invoices  
Services Rendered from June 5, 2018 to December 31, 2018**



**Womble Bond Dickinson (US) LLP**  
1313 North Market Street  
Suite 1200  
Wilmington, Delaware 19801  
  
Tel: (302) 252-4320  
Fax: (302) 252-4330  
[www.womblebond Dickinson.com](http://www.womblebond Dickinson.com)

June 21, 2018  
Matter Number 88824.0003.5  
Bill Number 4145310  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 06/20/2018	\$47,018.00
DISBURSEMENTS THROUGH 06/20/2018	\$220.36
<b>CURRENT TOTAL</b>	<b>\$47,238.36</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
--------------------------------------	------------

<b>If paying by check or online banking bill payment,</b> please remit payment <b>DUE ON RECEIPT</b> to the following address: PO Box 601879 Charlotte, North Carolina 28260-1879  <b>Please do not use the above address for trust funds or retainer payments.</b> Please send all trust funds and retainer payments directly to One West Fourth Street, Winston-Salem, NC 27101.	<b>If paying by wire, please remit payment DUE ON RECEIPT as follows:</b>  <table><tbody><tr><td>Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S</td><td><b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408</td></tr></tbody></table> <b>PLEASE include our bill # and client/matter# on EFT, or e-mail remittance advice to <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a>.</b>	Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408
Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408		
<b>Tax Identification Number 56-0308470</b>			
Accounting questions regarding your invoices can be directed to (336)728-7040 or <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a> .			

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

**THANK YOU FOR YOUR BUSINESS**

**ITEMIZED SERVICES BILL**

<b>Date:</b>	<b>Description:</b>	<b>Attorney:</b>	<b>Hours:</b>
06/05/2018	Call with client concerning status and potential objection; communications with Debtors' Canadian counsel concerning same; begin to prepare objection to final DIP Order	Desgrosseilliers, Mark L.	2.10
06/05/2018	Review Rockport parties, interim DIP order, and first day declaration	Johnson, Ericka F.	3.10
06/05/2018	Review DIP pleadings	Patterson, Morgan L.	1.20
06/06/2018	Research regarding DIP objection; prepare/draft same; communications concerning same with client	Desgrosseilliers, Mark L.	3.10
06/06/2018	Review loan agreement lien and roll up provisions; research case law applicable to allocation issues; attend conference call regarding issues for the objection to the final DIP motion; begin drafting objection background	Johnson, Ericka F.	6.10
06/06/2018	Legal research and review background documents	Patterson, Morgan L.	4.10
06/06/2018	Update case calendar; draft Notice of Appearance; draft 2 Motions for Admission Pro Hac Vice; review Objection to DIP Motion	Fitzgerald, Chadd P.*	1.30
06/07/2018	Continue to research regarding Final DIP Objection; continue to review/revise same; calls concerning same with cocounsel and clients	Desgrosseilliers, Mark L.	6.20
06/07/2018	Continue drafting objection to DIP Motion; conference call with Mark Desgrosseilliers, Adam Sherman, and Elizabeth Pillon regarding case update; revise and finalize draft objection	Johnson, Ericka F.	7.40
06/07/2018	Review/revise DIP objection	Patterson, Morgan L.	1.20
06/07/2018	Research regarding DIP Objection; draft service list	Fitzgerald, Chadd P.*	1.10
06/08/2018	Review/revise Information Officer's objection to final DIP Order; research regarding same; prepare same for filing; call with client and co-counsel concerning same; prepare for Final DIP hearing	Desgrosseilliers, Mark L.	4.20
06/08/2018	Review/revise notice of appearance and motions for admission pro hac vice; review/revise objection to DIP financing motion; conference calls regarding same	Johnson, Ericka F.	7.60
06/08/2018	Assist with drafting DIP Objection	Patterson, Morgan L.	1.20
06/08/2018	Prepare and file Notice of Appearance; prepare and file 2 Motions for Admission Pro Hac Vice; file Objection to Final DIP Order	Fitzgerald, Chadd P.*	1.50
06/09/2018	Continue to review filed objections to final DIP; prepare for final DIP hearing and Information Officer's objection to same	Desgrosseilliers, Mark L.	1.30



06/11/2018	Review DIP Financing motion and entered order; review financing documents; review report of Information Officer; call concerning final DIP hearing and preparation for same; follow-up regarding same; prepare for Final DIP hearing	Desgrosseilliers, Mark L.	2.80
06/11/2018	Conference call regarding update on potential negotiations on allocation; review objection and outline evidence relevant to Information Officer's objection to the DIP financing; review unredacted copy of committee's objection to the DIP financing	Johnson, Ericka F.	2.20
06/11/2018	Call with client regarding negotiation updates; calls with counsel to the Debtors regarding Committee objection; correspondence with Committee counsel regarding objection	Patterson, Morgan L.	0.70
06/12/2018	Continue to prepare for Final DIP hearing	Desgrosseilliers, Mark L.	3.90
06/12/2018	Draft proffer and hearing outline; review reply of the Debtors to DIP Objections and Noteholder reply regarding same; conference call with Debtors and team regarding Final DIP Order; revise proposed Final DIP Order	Johnson, Ericka F.	10.60
06/12/2018	Compile documents and create hearing binders	Fitzgerald, Chadd P.*	2.70
06/13/2018	Continue to prepare for Final DIP hearing; attend same (no charge); attend discussions concerning same; follow-up concerning same	Desgrosseilliers, Mark L.	2.10
06/13/2018	Finalize proffer of Richter in support of DIP objection; further revise proposed DIP Order; prepare for and attend hearing on contested DIP motion; draft and send email regarding entry of order approving store closing sales/procedures	Johnson, Ericka F.	9.60
06/13/2018	Draft cross examination for Debtors' witness	Patterson, Morgan L.	2.90
06/13/2018	Prepare for hearing	Fitzgerald, Chadd P.*	2.40
06/14/2018	Continue to follow up concerning final DIP hearing	Desgrosseilliers, Mark L.	0.90
06/14/2018	E-mails with vendor regarding ordering transcript of hearings	Fitzgerald, Chadd P.*	0.10
06/15/2018	Update case calendar; telephone call to CourtCall to register E. Pillon to appear telephonically	Fitzgerald, Chadd P.*	0.30
06/17/2018	Prepare for hearing regarding Judge's decision	Desgrosseilliers, Mark L.	0.20
06/18/2018	Prepare for final DIP hearing; attend same; follow-up concerning same	Desgrosseilliers, Mark L.	1.30
06/18/2018	Review transcript of court ruling regarding DIP objection	Patterson, Morgan L.	0.20
<b>Total for Services:</b>			<b>\$ 47,018.00</b>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.



**DISBURSEMENTS AND OTHER CHARGES**

<b>Date:</b>	<b>Description:</b>	<b>Amount:</b>
Jun 11, 2018	Transcript Reliable Wilmington - Hourly transcript - 1st copy	\$ 136.80
Jun 11, 2018	Copying/Printing Reliable Wilmington - Mail out service of Objection (D.I. 165); envelope service; postage and hand delivery courier service	\$ 83.56
<b>Total Disbursements:</b>		<u>\$ 220.36</u>

Any disbursement appearing on our statements as Business Meals and Entertainment is stated at cost. The Revenue Reconciliation Act of 1993 reduced the deductibility of these expenses to you from 80% to 50%. We maintain the supporting documentation for these costs and will make the documentation available to you upon request.

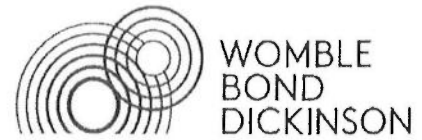
**TIMEKEEPER SUMMARY**

<b>Attorney:</b>	<b>Hours:</b>	<b>Amount:</b>	<b>Rate:</b>
Desgrosseilliers, Mark L.	28.10	\$ 17,703.00	\$ 630.00
Johnson, Ericka F.	46.60	\$ 22,135.00	\$ 475.00
Patterson, Morgan L.	11.50	\$ 4,830.00	\$ 420.00
Fitzgerald, Chadd P.*	9.40	\$ 2,350.00	\$ 250.00
<b>Totals:</b>	<u>95.60</u>	<u>\$ 47,018.00</u>	

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

**Use of Legal Support Service Providers**

In an effort to continue delivering cost effective services, WBD (US) uses legal support service providers located both inside and outside the U.S. to assist with help desk and technology issues, word processing, time entry, photocopying and other administrative tasks. In order for these service providers to complete these tasks, we must share certain client information. WBD (US) has made reasonable efforts to ensure that these services are performed in a manner that is consistent with our firm's obligations under the relevant Rules of Professional Conduct with regard to maintaining client confidentiality and supervision of non-lawyer assistants, and the firm bears responsibility for the resulting work product. As part of the engagement with the firm, you agree and consent to the use of the services of these providers in the manner stated above.



**Womble Bond Dickinson (US) LLP**  
1313 North Market Street  
Suite 1200  
Wilmington, Delaware 19801

Tel: (302) 252-4320  
Fax: (302) 252-4330  
[www.womblebond dickinson.com](http://www.womblebond dickinson.com)

August 2, 2018  
Matter Number 88824.0003.5  
Bill Number 4155143  
**STATEMENT FOR SERVICES RENDERED**

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 07/31/2018	\$18,686.50
DISBURSEMENTS THROUGH 07/31/2018	\$1,429.58
<b>CURRENT TOTAL</b>	<b>\$20,116.08</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
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<b>Tax Identification Number 56-0308470</b>	
Accounting questions regarding your invoices can be directed to (336)728-7040 or <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a> .	

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

**THANK YOU FOR YOUR BUSINESS**

ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
06/12/2018	Multiple correspondence with client and co-counsel regarding status of negotiations; prepare for hearing on DIP objection; call with Debtors, co-counsel and client regarding same; review Debtors' reply to objection	Patterson, Morgan L.	4.70
06/20/2018	Update case calendar; circulate Notice of Extension of Bid Deadline to counsel	Fitzgerald, Chadd P.*	0.10
06/21/2018	Circulate Supplemental Assumption and Assignment Notice to counsel	Fitzgerald, Chadd P.*	0.10
06/22/2018	Review notice of reinstatement of bid deadline and emails with co-counsel regarding same	Johnson, Ericka F.	0.10
06/25/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
06/26/2018	Review proposed sale order regarding provisions on allocation of sale proceeds; send email to E. Pillon regarding same; respond to email from L. Pillon regarding additional sale order issues and Houlihan retention	Johnson, Ericka F.	0.60
06/27/2018	Review final DIP Order; review communications concerning same	Desgrosseilliers, Mark L.	0.60
06/27/2018	Respond to email from E. Pillon regarding lease disclaimer process in the United States; review revised proposed final DIP Order and related emails; email US Debtors' counsel confirming extension to sale objection deadline	Johnson, Ericka F.	0.60
06/28/2018	Review final DIP Order; correspondence concerning same; call concerning same; review correspondence concerning same	Desgrosseilliers, Mark L.	0.70
06/28/2018	Review revised proposed Final DIP Order and Supplement (Committee settlement); phone call with L. Pillon regarding DIP Order and process for submitting order to chambers; draft and send email to L. Pillon regarding bankruptcy recoveries concept at paragraph 7(e); attend conference call regarding DIP order and UCC settlement; review revisions to proposed final DIP order and emails related to same	Johnson, Ericka F.	2.30
06/29/2018	Return call to Katie Good (UCC Delaware Counsel) regarding proposed information officer report on investigation of liens in Canada; review final DIP Order	Johnson, Ericka F.	0.30
06/29/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
07/05/2018	Review motion to approve stipulation regarding construction lien on Canadian property	Patterson, Morgan L.	0.20
07/06/2018	Review bar date motion and lease rejection motion; send email regarding same to Information Officer	Johnson, Ericka F.	0.20
07/06/2018	Update case calendar; circulate Bar Date Motion and Lease	Fitzgerald, Chadd P.*	0.10

	Rejection Motion to counsel		
07/10/2018	Address sale objection; review adversary proceeding and related sale matters	Desgrosseilliers, Mark L.	0.80
07/10/2018	Review/respond to email from E. Pillon regarding priority status/payment of employee claims; review emergency complaint filed against Reebok and Adidas and send email to group regarding same; review notice of hearing and revised notice and email group regarding updated hearing time	Johnson, Ericka F.	0.60
07/10/2018	Review docket and circulate notice of emergency telephonic hearing	Patterson, Morgan L.	0.20
07/10/2018	Circulate Adversary Complaint to counsel; update case calendar; telephone call to CourtCall to register E. Johnson and E. Pillon to appear for telephonic status conference	Fitzgerald, Chadd P.*	0.50
07/11/2018	Draft reservation of rights regarding proposed sale order; attend telephonic hearing regarding emergency complaint; phone call with Mark Desgrosseilliers and E. Pillon regarding same; email to Mark Collins regarding Reebok/Adidas matter	Johnson, Ericka F.	2.30
07/11/2018	Review docket and work with Ericka Johnson regarding sale reservation of rights	Patterson, Morgan L.	0.40
07/11/2018	Draft limited objection and reservation of rights regarding sale motion	Sasso, Heidi E.*	0.90
07/12/2018	Prepare for sale hearing	Desgrosseilliers, Mark L.	0.70
07/12/2018	Prepare 7/16 agenda; download and circulate agenda	Sasso, Heidi E.*	0.30
07/13/2018	Prepare for sale hearing; review status of allocation issue and Adidas matters	Desgrosseilliers, Mark L.	0.70
07/14/2018	Review multiple emails regarding hearing on Monday and need for funding from Rockport Canada	Johnson, Ericka F.	0.10
07/15/2018	Prepare for sale hearing; address liquidity issues and ring-fencing	Desgrosseilliers, Mark L.	1.20
07/15/2018	Review multiple emails regarding Rockport Canada transfer of funds to Rockport US	Johnson, Ericka F.	0.20
07/16/2018	Prepare for sale hearing; attend same (no charge); follow-up concerning same	Desgrosseilliers, Mark L.	2.90
07/16/2018	Review emails chains regarding sale order and funding stipulation; review sale order and revisions to same; phone calls with E. Pillon regarding same; attend hearing; review Final DIP Order and proposed funding stipulation and respond to questions from E. Pillon regarding same	Johnson, Ericka F.	5.60
07/16/2018	Update case calendar; hearing preparation; e-mail to vendor ordering transcript of hearing; download documents and create binders of Adidas adversary pleadings	Fitzgerald, Chadd P.*	1.40

07/17/2018	Continue to address entry of sale order; review revisions to stipulation regarding liquidity; review communications concerning same; communications with co-counsel concerning same	Desgrosseilliers, Mark L.	2.10
07/17/2018	Review multiple emails regarding proposed sale order language; review Company's current estimated schedule of distributions	Johnson, Ericka F.	0.30
07/24/2018	Address Adidas adversary and settlement of same	Desgrosseilliers, Mark L.	0.60
07/24/2018	Review email from E. Pillon regarding Adidas settlement and substantive consolidation standards in the United States; review Adidas settlement motion and related motion to shorten	Johnson, Ericka F.	0.10
07/25/2018	Continue to address Adidas settlement and distribution effect	Desgrosseilliers, Mark L.	0.70
07/25/2018	Review Adidas settlement order	Johnson, Ericka F.	0.20
07/25/2018	Download and circulate Order Establishing Bar Dates and Related Procedures for Filing Proofs of Claims and Order Shortening Notice and Objection Periods for Motion of Debtors for Entry of an Order Authorizing and Approving the Settlement Agreement By and Between the Rockport Parties, the Adidas Parties and the Noteholders ; update case calendar; download and circulate Adidas settlement documents; prepare hearing binder	Sasso, Heidi E.*	0.40
07/26/2018	Continue to review Adidas settlement; call with client concerning same; communications with Debtors' counsel concerning same; prepare for hearing on Adidas settlement	Desgrosseilliers, Mark L.	1.10
07/26/2018	Download and circulate 7/30 agenda	Sasso, Heidi E.*	0.10
07/27/2018	Continue to prepare for Adidas hearing	Desgrosseilliers, Mark L.	0.60
07/27/2018	Telephone call to Court regarding telephonic appearances; correspondence to E. Pillon regarding same	Sasso, Heidi E.*	0.20
07/29/2018	E-mails with counsel regarding status of hearing	Fitzgerald, Chadd P.*	0.10
07/30/2018	Continue to prepare for hearing regarding Adidas settlement; attend same; follow-up regarding same	Desgrosseilliers, Mark L.	1.30
07/30/2018	Circulate Order on 9019 Settlement Motion to counsel	Fitzgerald, Chadd P.*	0.10
		<b>Total for Services:</b>	<b>\$ 18,686.50</b>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.



DISBURSEMENTS AND OTHER CHARGES

Date:	Description:	Amount:
Jun 8, 2018	Clerk of Court Fee COURTS/USDC-DE - Pro Hac Fees	\$ 50.00
Jun 13, 2018	Transportation Eagle Chauffeured Services, Inc. - Transportation services for Pretesh Patel and additional guest from office to the Philadelphia Airport	\$ 107.00
Jun 13, 2018	Business Meal EZCATER*MANHATTAN BAGE - Client Breakfast	\$ 157.47
Jun 14, 2018	Messenger/Courier Service Reliable Wilmington - Fee for 3 boxes and delivery to and from Judge Silverstein courtroom	\$ 37.50
Jun 19, 2018	Transcript Reliable Wilmington - X2 Hourly Transcripts - 1st Copies	\$ 256.80
Jun 26, 2018	Transcript Reliable Wilmington - Hourly transcript - 1st Copy	\$ 12.00
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685661230; Debevoise & Plimpton LLP, My Chi To ; Daniel E. Stroik, NEW YORK, NY	\$ 12.14
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685675899; Holland & Knight LLP, Joshua Spencer, CHICAGO, IL	\$ 13.85
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685698845; Goodwin Procter LLP, William Weintraub, NEW YORK, NY	\$ 12.14
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685707280; Goodwin Procter LLP, Jon Herzog Joseph F. Bernardi,, BOSTON, MA	\$ 12.14
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685687610; Riemer Braunstein LLP, Donald E. Rothman Lon M. Singe, BOSTON, MA	\$ 12.14
Jul 11, 2018	Express Delivery Charge Federal Express Corporation; 772685645771; Cooley LLP, Jay Indyke, NEW YORK, NY	\$ 12.14
Jul 12, 2018	Copying/Printing Reliable Wilmington - Copy/Service of Reservation of Rights (DI 364)	\$ 120.56
	Photocopies	\$ 583.70
	Telephone	\$ 30.00
Total Disbursements:		\$ 1,429.58

Any disbursement appearing on our statements as Business Meals and Entertainment is stated at cost. The Revenue Reconciliation Act of 1993 reduced the deductibility of these expenses to you from 80% to 50%. We maintain the supporting documentation for these costs and will make the documentation available to you upon request.

**TIMEKEEPER SUMMARY**

<b>Attorney:</b>	<b>Hours:</b>	<b>Amount:</b>	<b>Rate:</b>
Desgrosseilliers, Mark L.	14.00	\$ 8,820.00	\$ 630.00
Johnson, Ericka F.	13.50	\$ 6,412.50	\$ 475.00
Patterson, Morgan L.	5.50	\$ 2,310.00	\$ 420.00
Fitzgerald, Chadd P.*	2.60	\$ 650.00	\$ 250.00
Sasso, Heidi E.*	1.90	\$ 494.00	\$ 260.00
<b>Totals:</b>	<u>37.50</u>	<u>\$ 18,686.50</u>	

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

**Use of Legal Support Service Providers**

In an effort to continue delivering cost effective services, WBD (US) uses legal support service providers located both inside and outside the U.S. to assist with help desk and technology issues, word processing, time entry, photocopying and other administrative tasks. In order for these service providers to complete these tasks, we must share certain client information. WBD (US) has made reasonable efforts to ensure that these services are performed in a manner that is consistent with our firm's obligations under the relevant Rules of Professional Conduct with regard to maintaining client confidentiality and supervision of non-lawyer assistants, and the firm bears responsibility for the resulting work product. As part of the engagement with the firm, you agree and consent to the use of the services of these providers in the manner stated above.



**Womble Bond Dickinson (US) LLP**  
1313 North Market Street  
Suite 1200  
Wilmington, Delaware 19801

Tel: (302) 252-4320  
Fax: (302) 252-4330  
[www.womblebond dickinson.com](http://www.womblebond dickinson.com)

September 12, 2018  
Matter Number 88824.0003.5  
Bill Number 4165331  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 08/31/2018	\$1,177.50
DISBURSEMENTS THROUGH 08/31/2018	\$133.00
<b>CURRENT TOTAL</b>	<b>\$1,310.50</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
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<b>If paying by check or online banking bill payment,</b> please remit payment <b>DUE ON RECEIPT</b> to the following address:	<b>If paying by wire, please remit payment DUE ON RECEIPT</b> as follows:		
PO Box 601879 Charlotte, North Carolina 28260-1879  Please <i>do not</i> use the above address for trust funds or retainer payments. Please send all trust funds and retainer payments directly to One West Fourth Street, Winston-Salem, NC 27101.	<table><tbody><tr><td>Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S</td><td><b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408</td></tr></tbody></table> <b>PLEASE include our bill # and client/matter# on EFT, or e-mail remittance advice to <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a>.</b>	Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408
Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408		
<b>Tax Identification Number 56-0308470</b>			
Accounting questions regarding your invoices can be directed to (336)728-7040 or <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a> .			

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

**THANK YOU FOR YOUR BUSINESS**

ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
08/17/2018	Review and comment on proposed settlement terms	Johnson, Ericka F.	0.30
08/24/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
08/30/2018	Review communications from co-counsel concerning plan and disclosure statement; begin review of same	Desgrosseilliers, Mark L.	0.60
08/30/2018	Review email from E. Pillon regarding draft plan/allocation issues	Johnson, Ericka F.	0.20
08/31/2018	Continue review of plan and disclosure statement	Desgrosseilliers, Mark L.	0.40
08/31/2018	Begin review of combined plan and disclosure statement	Johnson, Ericka F.	0.60
		<b>Total for Services:</b>	<u>\$ 1,177.50</u>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

DISBURSEMENTS AND OTHER CHARGES

Date:	Description:	Amount:
Jul 16, 2018	Transcript Reliable Wilmington - Transcript Cost	\$ 96.00
	Telephone	\$ 37.00
	<b>Total Disbursements:</b>	<u>\$ 133.00</u>

Any disbursement appearing on our statements as Business Meals and Entertainment is stated at cost. The Revenue Reconciliation Act of 1993 reduced the deductibility of these expenses to you from 80% to 50%. We maintain the supporting documentation for these costs and will make the documentation available to you upon request.

TIMEKEEPER SUMMARY

Attorney:	Hours:	Amount:	Rate:
Desgrosseilliers, Mark L.	1.00	\$ 630.00	\$ 630.00
Johnson, Ericka F.	1.10	\$ 522.50	\$ 475.00
Fitzgerald, Chadd P.*	0.10	\$ 25.00	\$ 250.00
Totals:	2.20	\$ 1,177.50	

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Use of Legal Support Service Providers

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[www.womblebond Dickinson.com](http://www.womblebond Dickinson.com)

October 4, 2018  
Matter Number 88824.0003.5  
Bill Number 4172445  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 09/30/2018	\$17,674.00
<b>CURRENT TOTAL</b>	<b>\$17,674.00</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
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**If paying by check or online banking bill payment,**  
please remit payment **DUE ON RECEIPT** to the following  
address:

PO Box 601879  
Charlotte, North Carolina 28260-1879

**Please *do not* use the above address for trust funds or retainer  
payments.** Please send all trust funds and retainer payments directly to  
One West Fourth Street, Winston-Salem, NC 27101.

**If paying by wire, please remit payment DUE ON RECEIPT  
as follows:**

Wells Fargo Bank, N.A.  
1525 W.T. Harris Blvd.  
Charlotte, NC 28288  
ABA no. 121000248  
Swift Code: WFBUS6S

**For Credit To:**  
Womble Bond Dickinson (US) LLP  
One West Fourth Street  
Winston-Salem, NC 27101  
Account no. 2087311040408

**PLEASE include our bill # and client/matter# on EFT, or e-mail  
remittance advice to [AccountsReceivable@wbd-us.com](mailto:AccountsReceivable@wbd-us.com).**

**Tax Identification Number 56-0308470**

Accounting questions regarding your invoices can be directed to (336)728-7040 or [AccountsReceivable@wbd-us.com](mailto:AccountsReceivable@wbd-us.com).

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ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
09/01/2018	Review draft plan and disclosure statement	Desgrosseilliers, Mark L.	0.40
09/01/2018	Review and comment on draft plan and disclosure statement	Johnson, Ericka F.	2.40
09/04/2018	Continue to review plan and disclosure statement; call concerning same	Desgrosseilliers, Mark L.	1.30
09/04/2018	Draft email to E. Pillon responding to questions regarding plan and procedures; phone call with E. Pillon, Mark Desgrosseilliers, A. Sherman; P. Patel and S. Sopic regarding the draft plan	Johnson, Ericka F.	2.20
09/05/2018	Address proposed plan and settlement; call with co-counsel concerning same; call with Debtors' counsel concerning same; follow up regarding same	Desgrosseilliers, Mark L.	2.80
09/05/2018	Attend phone call with Debtor, E. Pillon, Houlihan, and Richter regarding proposed plan; attend phone call with E. Pillon, Richter and Mark Desgrosseilliers regarding same; review APA regarding chapter 5 causes of action	Johnson, Ericka F.	1.70
09/06/2018	Revise combined disclosure statement and plan	Johnson, Ericka F.	2.30
09/10/2018	Email proposed plan edits to L. Pillon and respond to email from her regarding same	Johnson, Ericka F.	0.30
09/11/2018	Continue to review plan and disclosure statement; call concerning same	Desgrosseilliers, Mark L.	1.60
09/11/2018	Review E. Pillon's comments to plan and draft and send email to Mark Desgrosseilliers regarding same	Johnson, Ericka F.	2.80
09/12/2018	Continue to review proposed plan changes	Desgrosseilliers, Mark L.	0.40
09/14/2018	Continue to review plan and disclosure statement and address hearing issues	Desgrosseilliers, Mark L.	0.60
09/17/2018	Review plan and disclosure statement; review correspondence concerning same; calls concerning same	Desgrosseilliers, Mark L.	1.40
09/17/2018	Review emails from E. Pillon regarding status of plan negotiations	Johnson, Ericka F.	0.10
09/18/2018	Review email from Mike Merchant regarding draft plan	Johnson, Ericka F.	0.20
09/19/2018	Review redline of revisions to draft plan	Johnson, Ericka F.	0.80
09/20/2018	Continue to review plan	Desgrosseilliers, Mark L.	0.70
09/20/2018	Review email from P. Patel requesting status of plan and emails related to same	Johnson, Ericka F.	0.20
09/21/2018	Continue to review combined plan and disclosure statement; review summary from co-counsel	Desgrosseilliers, Mark L.	1.10

09/22/2018	Review as filed combined plan and disclosure statement and respond to questions from E. Pillon regarding same	Johnson, Ericka F.	1.80
09/25/2018	Review plan and disclosure statement; prepare comments to same	Desgrosseilliers, Mark L.	1.20
09/25/2018	Draft proposed plan language with respect to professional fees; phone call with E. Pillon regarding plan	Johnson, Ericka F.	2.20
09/25/2018	Update case calendar; review docket	Fitzgerald, Chadd P.*	0.20
09/26/2018	Continue to address allocation issues; calls concerning same; prepare for call concerning plan and allocation; attend same; follow-up concerning same; continue to review plan and disclosure statement	Desgrosseilliers, Mark L.	2.30
09/26/2018	Attend Rockport call	Johnson, Ericka F.	1.60
09/28/2018	Review emails regarding information requested with respect to plan and status of outstanding information requests	Johnson, Ericka F.	0.20

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<b>Total for Services:</b>	<b>\$ 17,674.00</b>
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\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

**TIMEKEEPER SUMMARY**

<b>Attorney:</b>	<b>Hours:</b>	<b>Amount:</b>	<b>Rate:</b>
Desgrosseilliers, Mark L.	13.80	\$ 8,694.00	\$ 630.00
Johnson, Ericka F.	18.80	\$ 8,930.00	\$ 475.00
Fitzgerald, Chadd P.*	0.20	\$ 50.00	\$ 250.00
<b>Totals:</b>	<u>32.80</u>	<u>\$ 17,674.00</u>	

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**Use of Legal Support Service Providers**

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[www.womblebond dickinson.com](http://www.womblebond dickinson.com)

November 9, 2018  
Matter Number 88824.0003.5  
Bill Number 4181467  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 10/31/2018	\$13,611.00
<b>CURRENT TOTAL</b>	<b>\$13,611.00</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
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<b>If paying by check or online banking bill payment,</b> please remit payment <b>DUE ON RECEIPT</b> to the following address:	<b>If paying by wire, please remit payment DUE ON RECEIPT</b> as follows:		
PO Box 601879 Charlotte, North Carolina 28260-1879  <b>Please <i>do not</i> use the above address for trust funds or retainer payments. Please send all trust funds and retainer payments directly to One West Fourth Street, Winston-Salem, NC 27101.</b>	<table><tr><td>Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S</td><td><b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408</td></tr></table> <b>PLEASE include our bill # and client/matter# on EFT, or e-mail remittance advice to <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a>.</b>	Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408
Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408		
<b>Tax Identification Number 56-0308470</b>			
Accounting questions regarding your invoices can be directed to (336)728-7040 or <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a> .			

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

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ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
10/01/2018	Continue to review allocation and plan issues	Desgrosseilliers, Mark L.	0.60
10/01/2018	Review and draft revisions to the as filed plan	Johnson, Ericka F.	1.50
10/01/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
10/02/2018	Continue to review plan and disclosure statement; prepare for call concerning plan and allocation issues; attend same; follow-up regarding changes for Debtors' counsel	Desgrosseilliers, Mark L.	1.30
10/02/2018	Attend conference call with Debtors to negotiate plan	Johnson, Ericka F.	0.70
10/03/2018	Review/respond to questions from E. Pillon regarding proposed plan changes; draft and send email to RLF regarding same	Johnson, Ericka F.	0.80
10/04/2018	Draft and send email to Richards regarding status of October 12th hearing and respond to email from E. Pillon regarding same	Johnson, Ericka F.	0.10
10/05/2018	Composed email to E. Pillon regarding Rockport Objection	Johnson, Ericka F.	0.10
10/08/2018	Review/revise draft plan objection	Desgrosseilliers, Mark L.	1.20
10/08/2018	Review/revise draft objection to approval of the disclosure statement; review email from M. Merchant and revised Houlihan analysis	Johnson, Ericka F.	6.90
10/08/2018	Revise caption and footnote to Objection to Disclosure Statement; circulate Objection to Disclosure Statement to counsel	Fitzgerald, Chadd P.*	0.20
10/09/2018	Address resolution of objection; prepare for confirmation/disclosure statement hearing; continue to review objection	Desgrosseilliers, Mark L.	1.70
10/09/2018	Review disclosure statement objections and email same to client group; draft and send email to client group requesting call to discuss settlement proposal; phone call with client group to discuss Houlihan analysis and draft objection; draft and send email to M. Merchant regarding I.O. disclosure statement objection deadline; review counter-proposed comments from Debtors regarding plan	Johnson, Ericka F.	1.40
10/09/2018	Circulate Objection to Disclosure Statement to counsel	Fitzgerald, Chadd P.*	0.10
10/10/2018	Respond to email from E. Pillon regarding settlement process and discuss same with Mark Desgrosseilliers; review revised combined plan/disclosure statement	Johnson, Ericka F.	0.90
10/10/2018	Circulate Agenda to counsel; telephone call to Courtcall to register E. Pillon to appear telephonically for hearing	Fitzgerald, Chadd P.*	0.40
10/11/2018	Prepare for disclosure statement hearing; communications with counsel for the Debtors concerning resolution;	Desgrosseilliers, Mark L.	2.40

	communications with cocounsel concerning same		
10/11/2018	Draft and send email to Mark Desgrosseilliers regarding revised plan; draft and send email to M. Merchant regarding same	Johnson, Ericka F.	1.00
10/11/2018	Compile documents and create hearing binder	Fitzgerald, Chadd P.*	0.80
10/12/2018	Prepare for disclosure statement hearing; attend same; follow-up concerning same	Desgrosseilliers, Mark L.	1.70
10/12/2018	Review docket	Johnson, Ericka F.	0.10
10/12/2018	Circulate Agenda to counsel	Fitzgerald, Chadd P.*	0.10
10/16/2018	Circulate Plan and Disclosure Statement to counsel; update case calendar	Fitzgerald, Chadd P.*	0.10
10/29/2018	Address plan administrator issues; call with Michael Merchant concerning same; follow up with client concerning same	Desgrosseilliers, Mark L.	0.70

<b>Total for</b>	
<b>Services:</b>	<b>\$ 13,611.00</b>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

TIMEKEEPER SUMMARY

Attorney:	Hours:	Amount:	Rate:
Desgrosseilliers, Mark L.	9.60	\$ 6,384.00	\$ 665.00
Johnson, Ericka F.	13.50	\$ 6,750.00	\$ 500.00
Fitzgerald, Chadd P.*	1.80	\$ 477.00	\$ 265.00
Totals:	24.90	\$ 13,611.00	

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Use of Legal Support Service Providers

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[www.womblebond dickinson.com](http://www.womblebond dickinson.com)

December 5, 2018  
Matter Number 88824.0003.5  
Bill Number 4188434  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 11/30/2018	\$6,693.00
DISBURSEMENTS THROUGH 11/30/2018	\$37.47
<b>CURRENT TOTAL</b>	<b>\$6,730.47</b>

Our accounting records indicate the following invoices remain outstanding as of January 10, 2019.

Bill Number 4196654 dated 01/10/2019	\$8,015.00
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**If paying by check or online banking bill payment,**  
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PO Box 601879  
Charlotte, North Carolina 28260-1879

**Please do not use the above address for trust funds or retainer  
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One West Fourth Street, Winston-Salem, NC 27101.

**If paying by wire, please remit payment DUE ON RECEIPT  
as follows:**

Wells Fargo Bank, N.A. 1525 W.T. Harris Blvd. Charlotte, NC 28288 ABA no. 121000248 Swift Code: WFBUS6S	<b>For Credit To:</b> Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2087311040408
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**PLEASE include our bill # and client/matter# on EFT, or e-mail  
remittance advice to [AccountsReceivable@wbd-us.com](mailto:AccountsReceivable@wbd-us.com).**

**Tax Identification Number 56-0308470**

Accounting questions regarding your invoices can be directed to (336)728-7040 or [AccountsReceivable@wbd-us.com](mailto:AccountsReceivable@wbd-us.com).

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

**THANK YOU FOR YOUR BUSINESS**



ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
11/01/2018	Draft and send email to Richards regarding plan administrator agreement; review and respond to email from A. Steele regarding same; draft and send email to P. Patel regarding draft agreement	Johnson, Ericka F.	0.20
11/02/2018	Draft and send email to E. Pillon regarding plan administrator agreement; review same	Johnson, Ericka F.	0.70
11/06/2018	Review plan administrator agreement; plan and discuss same with S. Sopic; revise plan administrator agreement	Johnson, Ericka F.	5.90
11/06/2018	Circulate Plan to counsel	Fitzgerald, Chadd P.*	0.10
11/07/2018	Phone call with S. Sopic regarding plan administrator agreement; further revise plan administrator agreement; draft and send email regarding same to Richter and Stikeman; draft and send email to RLF regarding same	Johnson, Ericka F.	1.60
11/09/2018	Communications with RLF regarding Plan Administrator agreement; multiple emails to/from Richter regarding same; draft and send email to L. Pillon regarding update on plan administrator agreement discussions; review plan supplement and email same to client group	Johnson, Ericka F.	1.30
11/19/2018	Discuss trust agreement and plan administrator agreement with Morgan Patterson; return call to A. Steele regarding Hemisphere claim and question on tax returns; phone call with S. Sopic regarding recommended edits to plan administrator agreement; draft and send email to S. Sopic regarding same	Johnson, Ericka F.	1.30
11/19/2018	Review/revise plan administrator agreement	Patterson, Morgan L.	1.20
11/20/2018	Phone call from P. Patel regarding plan, Hemisphere claim and plan administrator agreement; communications with A. Steele regarding Hemisphere agreement	Johnson, Ericka F.	0.60
11/21/2018	Draft and send email to RLF regarding requested change to the plan administrator agreement and to request clarification on tax return issue	Johnson, Ericka F.	0.20
11/24/2018	Review email from S. Sopic regarding revisions to plan administrator agreement	Johnson, Ericka F.	0.10
11/26/2018	Review hearing agenda regarding adjournment of confirmation hearing and email same to client group; review/respond to email from E. Pillon regarding revisions to plan administrator agreement	Johnson, Ericka F.	0.20
11/26/2018	Circulate Agenda; update case calendar	Fitzgerald, Chadd P.*	0.10
11/27/2018	Talk to A. Steele at RLF regarding revisions to plan administrator agreement	Johnson, Ericka F.	0.10

<b>Total for</b>	
<b>Services:</b>	<u>\$ 6,693.00</u>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

DISBURSEMENTS AND OTHER CHARGES

Date:	Description:	Amount:
Oct 31, 2018	Postage	\$ 0.47
	Telephone	\$ 37.00
	<b>Total Disbursements:</b>	<u>\$ 37.47</u>

Any disbursement appearing on our statements as Business Meals and Entertainment is stated at cost. The Revenue Reconciliation Act of 1993 reduced the deductibility of these expenses to you from 80% to 50%. We maintain the supporting documentation for these costs and will make the documentation available to you upon request.

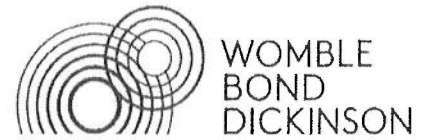
TIMEKEEPER SUMMARY

Attorney:	Hours:	Amount:	Rate:
Johnson, Ericka F.	12.20	\$ 6,100.00	\$ 500.00
Patterson, Morgan L.	1.20	\$ 540.00	\$ 450.00
Fitzgerald, Chadd P.*	0.20	\$ 53.00	\$ 265.00
Totals:	13.60	\$ 6,693.00	

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

Use of Legal Support Service Providers

In an effort to continue delivering cost effective services, WBD (US) uses legal support service providers located both inside and outside the U.S. to assist with help desk and technology issues, word processing, time entry, photocopying and other administrative tasks. In order for these service providers to complete these tasks, we must share certain client information. WBD (US) has made reasonable efforts to ensure that these services are performed in a manner that is consistent with our firm's obligations under the relevant Rules of Professional Conduct with regard to maintaining client confidentiality and supervision of non-lawyer assistants, and the firm bears responsibility for the resulting work product. As part of the engagement with the firm, you agree and consent to the use of the services of these providers in the manner stated above.



**Womble Bond Dickinson (US) LLP**  
1313 North Market Street  
Suite 1200  
Wilmington, Delaware 19801

Tel: (302) 252-4320  
Fax: (302) 252-4330  
[www.womblebond Dickinson.com](http://www.womblebond Dickinson.com)

January 10, 2019  
Matter Number 88824.0003.5  
Bill Number 4196654  
STATEMENT FOR SERVICES RENDERED

Mr. Pritesh Patel  
Vice President, Consulting  
Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ONT M5J 2T3

RE: The Rockport Company LLC

FOR PROFESSIONAL SERVICES RENDERED THROUGH 12/31/2018	\$8,015.00
<b>CURRENT TOTAL</b>	<b>\$8,015.00</b>

<b>If paying by check or online banking bill payment,</b> please remit payment <b>DUE ON RECEIPT</b> to the following address:		<b>If paying by wire, please remit payment DUE ON RECEIPT</b> as follows:	
PO Box 601879 Charlotte, North Carolina 28260-1879  <b>Please <i>do not</i> use the above address for trust funds or retainer payments.</b> Please send all trust funds and retainer payments directly to One West Fourth Street, Winston-Salem, NC 27101.		For Credit To: Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Account no. 2 0 8 7 3 1 1 0 4 0 4 0 8  <b>PLEASE include our bill # and client/matter# on EFT, or e-mail remittance advice to <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a>.</b>	
<b>Tax Identification Number 56-0308470</b>			
Accounting questions regarding your invoices can be directed to (336)728–7040 or <a href="mailto:AccountsReceivable@wbd-us.com">AccountsReceivable@wbd-us.com</a> .			

**IF PAYING BY CHECK, PLEASE RETURN THIS PAGE WITH PAYMENT**

**THANK YOU FOR YOUR BUSINESS**

ITEMIZED SERVICES BILL

Date:	Description:	Attorney:	Hours:
12/06/2018	Return call to A. Steele regarding tax issue; email A. Steele modified language to 4.11 of the plan administrator agreement; draft and send email regarding tax issue to Richter and E. Pillon	Johnson, Ericka F.	0.40
12/06/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
12/07/2018	Circulate Agenda to counsel	Fitzgerald, Chadd P.*	0.10
12/10/2018	Review confirmation hearing agenda and email client group regarding same; review/respond to email from S. Sopic regarding fee approval in Canadian proceeding	Johnson, Ericka F.	0.10
12/10/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
12/11/2018	Review precedent fee affidavit and address preparation of same for Womble; review draft stipulation with Hemisphere and email client group regarding same	Johnson, Ericka F.	0.40
12/11/2018	Draft Fee Affidavit	Fitzgerald, Chadd P.*	0.50
12/12/2018	Review/respond to emails from E. Pillon with questions regarding the plan and plan confirmation process	Johnson, Ericka F.	0.60
12/14/2018	Phone call from P. Patel regarding Hemisphere claim; draft and send email to RLF regarding same; phone call from RLF regarding plan timing and balloting; review plan changes	Johnson, Ericka F.	2.00
12/17/2018	Review revised plan; emails with E. Pillon and Richter regarding tax issues; phone call with E. Pillon and P. Patel regarding same; draft and send email to RLF regarding same; review revised plan/disclosure statement	Johnson, Ericka F.	1.70
12/18/2018	Review motion to separately administer Rockport Canada from US Debtor cases; review emails from E. Pillon and P. Patel and revise plan and draft proposed revisions; respond to emails about tax preparation and review email regarding Deloitte's retention; respond to email from E. Pillon regarding impact of separate administration; draft and send email to RLF regarding revisions to the plan	Johnson, Ericka F.	2.10
12/19/2018	Review draft report to Canadian court; attend confirmation hearing; review confirmation order and send same to client group	Johnson, Ericka F.	3.20
12/21/2018	Draft and send email to client group regarding motion to modify joint administration	Johnson, Ericka F.	0.10
12/26/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
12/27/2018	Review/respond to emails from E. Pillon and P. Pritesh regarding retention of Prime Clerk; review/respond to email from A. Steele regarding finalization of plan administrator agreement and Prime Clerk engagement letter and contact information; review plan administrator agreement and	Johnson, Ericka F.	0.90

	respond to email from P. Patel regarding same		
12/28/2018	Review/revise latest version of plan administrator agreement; draft and send email to client group regarding same; exchange multiple emails with RLF regarding plan effective date and email client group regarding same; review flow of funds and email client group regarding same; review plan and agreement provisions with respect to filing of tax returns and respond to email from E. Pillon regarding same; review plan regarding BAMS Reserve and respond to email from P. Patel regarding same; phone call to M. Merchant regarding reserve issue and finalization of the plan administrator agreement; draft and send email to P. Patel regarding same	Johnson, Ericka F.	2.70
12/29/2018	Draft and send email to A., Steele regarding correct name for Rockport Canada	Johnson, Ericka F.	0.10
12/30/2018	Review/respond to email from A. Steele regarding name change certificate; review emails between L. Pilon and P. Patel regarding outstanding issues for effective date	Johnson, Ericka F.	0.10
12/31/2018	Review updated plan administrator agreement and send same to client group for execution; respond to email from RLF regarding same; review case caption order and respond to email from E. Pillon regarding name change requirements; draft and send email to RLF regarding effective date; draft and send email to P. Patel regarding name change certificate; review emails from RLF regarding effective date	Johnson, Ericka F.	1.10
12/31/2018	Update case calendar	Fitzgerald, Chadd P.*	0.10
		<b>Total for Services:</b>	<b>\$ 8,015.00</b>

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

TIMEKEEPER SUMMARY

Attorney:	Hours:	Amount:	Rate:
Johnson, Ericka F.	15.50	\$ 7,750.00	\$ 500.00
Fitzgerald, Chadd P.*	1.00	\$ 265.00	\$ 265.00
Totals:	16.50	\$ 8,015.00	

\* If an asterisk appears above, it designates a Legal Assistant or other non-lawyer professional.

Use of Legal Support Service Providers

In an effort to continue delivering cost effective services, WBD (US) uses legal support service providers located both inside and outside the U.S. to assist with help desk and technology issues, word processing, time entry, photocopying and other administrative tasks. In order for these service providers to complete these tasks, we must share certain client information. WBD (US) has made reasonable efforts to ensure that these services are performed in a manner that is consistent with our firm's obligations under the relevant Rules of Professional Conduct with regard to maintaining client confidentiality and supervision of non-lawyer assistants, and the firm bears responsibility for the resulting work product. As part of the engagement with the firm, you agree and consent to the use of the services of these providers in the manner stated above.

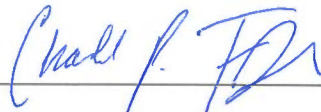


**EXHIBIT "B"**

referred to in the Affidavit of

**ERICKA F. JOHNSON**

Sworn January 16, 2019



Notary Public

**CHADD P. FITZGERALD**

**NOTARY PUBLIC**

**STATE OF DELAWARE**

My Commission Expires July 22, 2019



**EXHIBIT "B"**

**Summary of Womble Bond Dickinson (US) LLP's Invoices  
Services Rendered from June 5, 2018 to December 31, 2018**

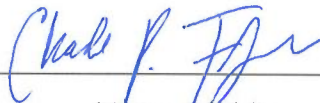
<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Total Fees</b>	<b>Total Expenses</b>	<b>Total Fees &amp; Expenses</b>	<b>Total Hours Billed</b>
4145310	6/21/2018	\$ 47,018.00	\$ 220.36	\$ 47,238.36	95.6
4155143	8/2/2018	\$ 18,686.50	\$ 1,429.58	\$ 20,116.08	37.5
4165331	9/12/2018	\$ 1,177.50	\$ 133.00	\$ 1,310.50	2.2
4172445	10/4/2018	\$ 17,674.00	\$ -	\$ 17,674.00	32.8
4181467	11/9/2018	\$ 13,611.00	\$ -	\$ 13,611.00	24.9
4188434	12/5/2018	\$ 6,693.00	\$ 37.47	\$ 6,730.47	13.6
4196654	1/10/2019	\$ 8,015.00	\$ -	\$ 8,015.00	16.5
		<b>\$ 112,875.00</b>	<b>\$ 1,820.41</b>	<b>\$ 114,695.41</b>	<b>223.1</b>

**EXHIBIT "C"**

referred to in the Affidavit of

**ERICKA F. JOHNSON**

Sworn January 16, 2019



Notary Public

**CHADD P. FITZGERALD**  
**NOTARY PUBLIC**

**STATE OF DELAWARE**  
My Commission Expires July 22, 2019

**EXHIBIT "C"**  
**Summary of Womble Bond Dickinson (US) LLP's Invoices**  
**Services Rendered from June 5, 2018 to December 31, 2018**

<b>Professional</b>	<b>Billing Rates</b>		<b>Total Hours Billed</b>
	<b>Prior to 10/1/2018</b>	<b>Effective 10/1/2018</b>	
Desgrosseilliers, Mark	\$ 630.00	\$ 665.00	66.50
Johnson, Ericka	\$ 475.00	\$ 500.00	121.20
Patterson, Morgan	\$ 420.00	\$ 450.00	18.20
Fitzgerald, Chadd *	\$ 250.00	\$ 265.00	15.30
Sasso, Heidi*	\$ 260.00	N/A	1.90

\*Legal Assistant or other non-lawyer professional

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY  
INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK  
FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")  
APPLICATION OF RELAY BLOCKER, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-  
36, AS AMENDED**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF ERICKA F. JOHNSON  
(SWORN January 16, 2019)**

**WOMBLE BOND DICKINSON (US) LLP**

Ericka F. Johnson, Esquire

222 Delaware Avenue, Suite 1501

Wilmington, DE 19801

Telephone: (302) 252-4320

Facsimile: (302) 252-4330

Email: ericka.johnson@wbd-us.com

**Lawyers for the Richter Advisory Group Inc.,  
in its capacity as the Information Officer**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY  
INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK  
FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")  
APPLICATION OF RELAY BLOCKER, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.  
C-36, AS AMENDED**

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

PROCEEDINGS COMMENCED AT TORONTO

**SIXTH REPORT OF THE INFORMATION  
OFFICER, JANUARY 17, 2019**

**STIKEMAN ELLIOTT LLP**

5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

**Elizabeth Pillon – LSO No. 35638M**

Tel: (416)-869-5623  
Email: [epillon@stikeman.com](mailto:epillon@stikeman.com)

**Sanja Sopic – LSO No. 66487P**

Tel: (416)-869-6825  
Email: [ssopic@stikeman.com](mailto:ssopic@stikeman.com)  
Fax: (416) 947-0866

**Lawyers for the Information Officer, Richter  
Advisory Group Inc.**

TAB 3

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

THE HONOURABLE	)	THURSDAY, THE 24 <sup>th</sup>
	)	
MR. JUSTICE MCEWEN	)	DAY OF JANUARY, 2019

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

**AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP  
HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS,  
LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE  
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES  
LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")**

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

**O R D E R**

**THIS MOTION**, made by Richter Advisory Group Inc. ("**Richter**"), in its capacity as the Court-appointed information officer (the "**Information Officer**") in respect of these proceedings, 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 Motion Record seeking, among other things, approval of the fees and activities of the Information Officer and its counsel, the discharge of the Information Officer and the termination of the Part IV CCAA proceedings, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the sixth report of the Information Officer dated January 17, 2019 (the "**Sixth Report**"), and on hearing the submissions of counsel for the Debtors and the Information Officer, and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the Affidavit of Service of ● sworn January ●, 2019, filed,



## **CAPITALIZED TERMS**

1. **THIS COURT ORDERS** that capitalized terms not defined herein shall have the meanings ascribed thereto in the Sixth Report.

## **APPROVAL OF RICHTER'S ACTIVITIES AND REPORTS**

2. **THIS COURTS ORDERS** that (i) the Pre-Filing Report and the activities of Richter in its capacity as the proposed Information Officer, as described in the Pre-Filing Report, and (ii) the reports of Richter in its capacity as Information Officer dated June 14, 2018 (the "**First Report**"), July 19, 2018 (the "**Second Report**"), July 27, 2018 (the "**Third Report**"), July 31, 2018 (the "**Fourth Report**"), December 21, 2018 (the "**Fifth Report**") and the activities of Richter in its capacity as the Information Officer, as described in the First Report, Second Report, Third Report, Fourth Report and Fifth Report respectively, be and are hereby approved; provided, however, that only the Information Officer, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

3. **THIS COURT ORDERS** that the Sixth Report and the activities of Richter in its capacity as the Information Officer, as described in the Sixth Report, be and are hereby approved; provided, however, that only the Information Officer, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

## **APPROVAL OF FEES**

4. **THIS COURT ORDERS** that the fees and disbursements of the Information Officer as described in the Sixth Report and as set out in the affidavit of Adam Sherman sworn January 16, 2019 (the "**Sherman Affidavit**"), including the estimated fees and disbursements of the Information Officer up to its date of discharge, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Information Officer's US legal counsel, Womble Bond Dickinson (US) LLP ("**Womble**"), as described in the Sixth Report and as set out in the affidavit of Ericka Johnson sworn January 16, 2019, (the "**Johnson Affidavit**"), including the estimated fees and disbursements of Womble in connection with

services to be provided to the Information Officer up to its date of discharge, be and are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Information Officer's legal counsel, Stikeman Elliott LLP ("**Stikeman**"), as described in the Sixth Report and as set out in the affidavit of Elizabeth Pillon sworn January 15, 2019, (the "**Pillon Affidavit**"), including the estimated fees and disbursements of Stikeman in connection with services to be provided to the Information Officer up to its date of discharge, be and are hereby approved.

#### **TERMINATION OF THE PART IV CCAA PROCEEDINGS**

7. **THIS COURT ORDERS** that, effective upon the Information Officer filing with the Court the Discharge Certificate in the form attached hereto as Schedule "A" certifying that it has attended to the Remaining Matters (the "**Discharge Certificate**"), the within proceedings commenced under Part IV of the CCAA will be terminated. For greater certainty, effective upon the filing of the Discharge Certificate by the Information Officer, the stay of proceedings, as provided for in the Supplemental Order and the Initial Recognition Order will be terminated.

#### **DISCHARGE OF RICHTER AS INFORMATION OFFICER**

8. **THIS COURT ORDERS** that upon the filing of the Discharge Certificate, the Information Officer shall be discharged as Information Officer, provided however that notwithstanding its discharge herein, (a) the Information Officer shall remain Information Officer for the performance of such incidental duties as may be required to complete the administration of these proceedings, and (b) the Information Officer shall continue to have the benefit of the provisions of all orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Richter in its capacity as Information Officer.

9. **THIS COURT ORDERS** that, effective upon the filing of the Discharge Certificate, the Information Officer shall be released and discharged from any and all liability that the Information Officer now has or may hereafter have by reason of, or in any way arising out of, these proceedings or the acts or omissions of the Information Officer while acting in its capacity as Information Officer in these proceedings, save and except for liability arising from its gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the

Information Officer shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, within these proceedings.

10. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Information Officer in any way arising from or related to its capacity or conduct as Information Officer in these proceedings, except with prior leave of this Court and on prior written notice to the Information Officer.

#### **DISCHARGE OF THE COURT-ORDERED CHARGES**

11. **THIS COURT ORDERS** that, effective upon the filing of the Discharge Certificate, (i) the Administration Charge, and (ii) the BLG Charge be and are hereby fully and finally terminated, discharged and released.

#### **AID AND RECOGNITION**

12. **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 Foreign Representative, the Debtors, 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 Foreign Representative, the Debtors, the Information Officer, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Foreign Representative, the Debtors, 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.

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**SCHEDULE “A”**

**Court File No. CV-18-597987-00CL**

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

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

**AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP  
HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS,  
LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE  
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES  
LLC, AND RELAY OPCO CANADA ULC (THE “DEBTORS”)**

**APPLICATION OF APPLICATION OF RELAY BLOCKER, LLC UNDER SECTION 46  
OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED**

**INFORMATION OFFICER’S DISCHARGE CERTIFICATE**

A. Pursuant to the Supplemental Order (Foreign Main Proceeding) of Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 16, 2018, Richter Advisory Group Inc. (“**Richter**”) was appointed as the information officer (the “**Information Officer**”).

B. Pursuant to an Order of the Court dated January 24, 2019 (the “**Discharge Order**”), the Court ordered, *inter alia*, that the Information Officer be discharged, effective upon the filing of a certificate certifying the matters set out herein.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

**THE INFORMATION OFFICER HEREBY CERTIFIES** the following:

1. The Information Officer is satisfied, in its discretion, that it has completed the Remaining Matters as set out in the Information Officer’s Sixth Report to the Court dated January 17, 2019.

2. This Certificate was delivered by the Information Officer at \_\_\_\_\_  
(time) on \_\_\_\_\_ (date).

**RICHTER ADVISORY GROUP INC.**

in its capacity as Court-appointed Information Officer of Relay Blocker, LLC, The Relay Group Holdings, LLC, Relay 1-P Holdings, Relay Intermediate Holdings, LLC, Relay Class D, LLC, The Relay Group, LLC, The Relay Shoe Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Relay Opco Canada ULC

Per: \_\_\_\_\_

Name:

Title:

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

AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")

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

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

PROCEEDINGS COMMENCED AT TORONTO

**INFORMATION OFFICER'S DISCHARGE CERTIFICATE**

**STIKEMAN ELLIOTT LLP**

5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9  
Tel: 416-869-5500  
Fax: 416-947-0866

**Elizabeth Pillon – LSO No. 35638M**

Tel: 416-869-5623  
Email: epillon@stikeman.com

**Sanja Sopic – LSO No. 66487P**

Tel: 416-6825  
Email: ssopic@stikeman.com  
Fax: 416-947-0866

**Lawyers for the Information Officer**

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

AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT TORONTO

**ORDER**  
**(Termination and Discharge)**

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF RELAY BLOCKER, LLC, THE RELAY GROUP HOLDINGS, LLC, RELAY 1-P HOLDINGS, RELAY  
INTERMEDIATE HOLDINGS, LLC, RELAY CLASS D, LLC, THE RELAY GROUP, LLC, THE RELAY SHOE COMPANY, LLC,  
DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC, AND RELAY OPCO CANADA ULC (THE "DEBTORS")  
APPLICATION OF RELAY BLOCKER, LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDINGS COMMENCED AT TORONTO

**MOTION RECORD OF THE INFORMATION  
OFFICER  
(Termination and Discharge)  
(Returnable January 24, 2019)**

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