

Court File No. CV-19-00624902-00CL

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
DAVIDS FOOTWEAR LTD.**

OCTOBER 25, 2019

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PURPOSE OF REPORT.....	1
III.	TERMS OF REFERENCE	3
IV.	BACKGROUND	4
V.	RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT	8
VI.	RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS	10
VII.	STATEMENT OF CLAIM AGAINST HRI & THIRD PARTY CLAIM AGAINST DAVIDS.....	12
VIII.	SOLICITATION PROCESS FOR IP ASSETS.....	12
IX.	THE TRANSACTION	13
X.	PRIORITY CLAIMS.....	14
XI.	PROPOSED ROSEJACK DISTRIBUTION	16
XII.	REMAINING MATTERS AND RECEIVER'S DISCHARGE	16
XIII.	REQUEST FOR APPROVAL OF FEES.....	17
XIV.	RECOMMENDATION	18

APPENDICES

APPENDIX "A" – Receivership Order dated August 2, 2019

APPENDIX "B" – Liquidation Sale Approval Order dated August 23, 2019

APPENDIX "C" – First Report of the Receiver dated August 16, 2019 (without exhibits)

APPENDIX "D" – Offer Solicitation Letter

APPENDIX "E" – Redacted copy of the IP Sale Agreement dated October 25, 2019

APPENDIX "F" – CRA Letter regarding HST Assessment dated September 13, 2019

APPENDIX "G" – Affidavit of Adam Zeldin, sworn October 25, 2019 re: Fees of the Receiver

APPENDIX "H" – Affidavit of Dylan Chochla, sworn October 25, 2019 re: Fees of Fasken Martineau DuMoulin LLP

CONFIDENTIAL APPENDICES

CONFIDENTIAL APPENDIX "1" – Unredacted copy of the IP Sale Agreement dated October 25, 2019

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

BETWEEN:

ROSEJACK INVESTMENTS LTD.

Applicant

- and -

DAVIDS FOOTWEAR LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**SECOND REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
DAVIDS FOOTWEAR LTD.**

OCTOBER 25, 2019

I. INTRODUCTION

1. Pursuant to an application by Rosejack Investments Ltd. ("**Rosejack**" or the "**Lender**") under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, Richter Advisory Group Inc. ("**Richter**") was appointed as receiver and manager (in such capacity, the "**Receiver**") without security over all the assets, undertakings and properties (the "**Property**") of Davids Footwear Ltd. ("**Davids**" or the "**Company**") by way of an order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated August 2, 2019 (the "**Date of Appointment**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. On August 23, 2019, the Court issued an order (the "**Liquidation Sale Approval Order**") authorizing the Receiver to, among other things, conduct an orderly liquidation (the "**Liquidation Sale**") of the Company's inventory, and its furniture, fixtures and equipment (the "**FF&E**") in accordance with the sale guidelines (the "**Sale Guidelines**") attached to the Liquidation Sale Approval Order. A copy of the Liquidation Sale Approval Order is attached hereto as **Appendix "B"**.
3. This report is the Receiver's second report (the "**Second Report**") filed with this Court in connection with these receivership proceedings. The Receiver's first report (the "**First Report**") dated August 16, 2019 outlined, among other things, background information on the Company, the security interests granted by the Company in favour of Rosejack, the activities of the Receiver since the Date of Appointment, and the material aspects of the Receiver's liquidation plan and the Sale Guidelines. A copy of the First Report (without appendices) is attached hereto as **Appendix "C"**.

II. PURPOSE OF REPORT

4. The purpose of the Second Report is to provide the Court with information pertaining to the following:
 - (i) an update on matters related to:
 - a) the Liquidation Sale pursuant to the Liquidation Sale Approval Order;
 - b) the Vacate Notices (as defined below) issued by the Receiver in respect of the Company's leased locations;
 - c) the Receiver's evaluation of the demands received from certain of the Company's suppliers for repossession of goods pursuant to section 81.1 of the BIA; and
 - d) the employees of Davids;
 - (ii) the activities of the Receiver since the First Report;

- (iii) the Receiver's interim statement of receipts and disbursements for the period from the Date of Appointment to October 24, 2019 (the "**Interim R&D**");
- (iv) a statement of claim against Harry Rosen Inc. ("**HRI**"), an affiliate of the Company, by a former Davids employee and a third party claim issued by HRI against the Company in connection with same;
- (v) the solicitation process undertaken by the Receiver to seek offers from potentially interested parties for the purchase of the David's trademark (the "**IP Assets**"), including the results of that process;
- (vi) the terms of the intellectual property sale agreement and the intellectual property assignment agreement both dated October 25, 2019 (together, the "**IP Sale Agreement**") entered into between the Receiver and Rosejack for the sale of the IP Assets (the "**Transaction**");
- (vii) the priority claim asserted by the Canada Revenue Agency ("**CRA**") for pre-appointment sales taxes owed by the Company (the "**Pre-Filing HST Claim**");
- (viii) the Receiver's estimate of accrued and unpaid obligations (the "**Accrued Obligations**") as of the date of this Second Report and the Receiver's estimate of professional fees and disbursements, including those of its counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), required to complete the administration of these receivership proceedings (the "**Remaining Fees and Disbursements**");
- (ix) the Receiver's recommendation that this Court issue:
 - a) an order approving the IP Sale Agreement and the Transaction, sealing the Confidential Appendix to the Second Report, authorizing the Receiver to take any steps necessary to complete the Transaction and vesting, upon closing of the Transaction, all of the Company's right, title and interest in and to the IP Assets to Rosejack, free and clear of all liens, charges, security interests and other encumbrances (the "**Approval and Vesting Order**"); and
- (x) the Receiver's recommendation that this Court issue an order:
 - b) approving the Second Report, and the actions, activities and conduct of the Receiver set out therein;
 - c) approving the Interim R&D;
 - d) authorizing the Receiver to pay the Pre-Filing HST Claim once the amount owing to CRA has been determined;
 - e) authorizing and directing the Receiver to make an interim distribution to Rosejack in respect of its secured claim against the Property in the amount of \$4,500,000 (the "**Rosejack Distribution**"), and authorizing the Receiver to make any subsequent distributions to Rosejack without further order of the

Court, provided that the aggregate distributions to Rosejack do not exceed the indebtedness owed to it by the Company;

- f) authorizing the Receiver to retain approximately \$875,000 (the “**Holdback**”) from the available cash on hand remaining following payment of the Rosejack Distribution, and to use such funds, and any subsequent receipts, to address the Remaining Matters (as defined herein), without further approval of this Court;
- g) approving the accounts of the Receiver and its counsel, including the Remaining Fees and Disbursements, as set out in this Second Report;
- h) discharging the Receiver upon completion of the Remaining Matters, including the distribution of any residual amounts remaining in its possession to Rosejack, upon the Receiver filing a certificate with the Court confirming that it has completed the administration of the Company’s estate (the “**Discharge Certificate**”); and
- i) ordering and declaring that effective upon its discharge as Receiver, Richter is released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the part of Richter.

III. TERMS OF REFERENCE

- 5. In preparing this Second Report, Richter has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with the Lender and its legal counsel (collectively, the “**Information**”). In accordance with industry practice, Richter has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 6. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Appointment Order, the Liquidation Sale Approval Order, or the First Report.
- 7. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

The Liquidation Sale

8. As noted in the First Report, the Company operated five retail stores as at the Date of Appointment, as follows:
 - (i) four retail locations operating from leased premises across Toronto (the “**Toronto Stores**”), including premises municipally known as 25 The West Mall (“**Sherway Gardens**”), 2901 Bayview Ave (“**Bayview Village**”), 3401 Dufferin Street (“**Yorkdale Mall**”), and 1200 Bay Street (“**Bay Bloor**”); and
 - (ii) one retail location in Ottawa at 50 Rideau Street (the “**Rideau Store**” and together with the Toronto Stores, the “**Closing Stores**”). The Rideau Store was co-located with a store operated by HRI, and was vacated and closed prior to the date of the Liquidation Sale Approval Order.
9. Following the issuance of the Liquidation Sale Approval Order, the Receiver commenced the Liquidation Sale at the Toronto Stores on September 3, 2019.
10. Pursuant to the Sale Guidelines, the Receiver was required to complete the Liquidation Sale and vacate each of the Toronto Stores on or before December 2, 2019 (the “**Outside Vacate Date**”); however, the Receiver, in its sole discretion, could elect to vacate any of the Toronto Stores prior to the Outside Vacate Date by providing the applicable landlord with at least ten days’ advance written notice of its intention to vacate (a “**Vacate Notice**”). As described in greater detail below, the Receiver issued Vacate Notices for certain Toronto Stores as it began to consolidate inventory in order to meet customer demand.
11. The Liquidation Sale was completed on September 30, 2019 (the “**Sale Termination Date**”) and, on October 1, 2019, the Receiver vacated the last remaining Closing Store. The Receiver is of the view that it conducted the Liquidation Sale in accordance with the Liquidation Sale Approval Order and the Sale Guidelines.
12. As noted in the First Report, the Company maintained programs prior to the Date of Appointment pursuant to which customers could purchase prepaid physical gift cards (the “**Gift Cards**”) or be issued merchandise credits (the “**Merchandise Credits**”) in exchange for certain returns. As at July 23, 2019, the Company had approximately \$60,000 in Gift Cards and \$130,000 in Merchandise Credits outstanding. In accordance with paragraph 8 of the Liquidation Sale Approval Order, the Company honoured Gift Cards and Merchandise Credits at the Closing Stores through to the Sale Termination Date. In total, \$20,244 in Gift Cards and \$37,232 in Merchandise Credits were redeemed by customers at the Closing Stores since the Date of Appointment.

Leased Premises

13. The Company was current in respect of rent obligations to its landlords for July 2019, except for certain landlords where a portion of monthly rent was based on a percentage of sales. Commencing on or about August 7, 2019, the Receiver made payment to the landlords in respect of occupation rent for the Toronto Stores on a semi-monthly basis, in advance, up to and including the effective surrender date for each Toronto Store. The Receiver is of the view that all amounts owing in respect of occupation rent have been paid to the respective landlords, save and except any component of rent based on a percentage of prior period sales in accordance with the underlying Toronto Store lease, which the Receiver is in the process of reviewing and reconciling. Upon completion of its reconciliation, the Receiver intends to pay amounts owing for percentage rent, if any, to the applicable landlord.
14. The Receiver issued Vacate Notices to the landlords on the following dates:
 - (i) Sherway Gardens - Vacate Notice issued on August 20, 2019 and premises surrendered on August 31, 2019;
 - (ii) Bayview Village – Vacate Notice issued on September 5, 2019 and premises surrendered on September 15, 2019;
 - (iii) Yorkdale Mall – Vacate Notice issued on September 9, 2019 and premises surrendered on September 19, 2019; and
 - (iv) Bay Bloor – Vacate Notice issued on September 20, 2019 and premises surrendered on October 1, 2019.
15. As noted above, the Receiver provided each landlord of the Toronto Stores with at least ten calendar days notice prior to the effective surrender date, as required by the Liquidation Sale Approval Order. On or before the effective surrender date for each Toronto Store, the Receiver conducted a walk-through of the premises with the applicable landlord to confirm, among other things, that the landlord was satisfied with the state of condition and repair of the premises. With the exception of the landlord for the Bay Bloor store (as described below), the Receiver did not receive any objection to the Vacate Notices from the landlords of the Toronto Stores.
16. On October 1, 2019, the Receiver conducted a walk-through of the Bay Bloor store with the landlord's representative and attempted to deliver the keys to surrender possession of the premises to the landlord. The landlord's representative refused to accept the keys as the landlord was not satisfied with the state and condition of the Bay Bloor store. The landlord was concerned that FF&E remained on the premises and that, in the landlord's view, the premises was not left in a broom swept condition. The Receiver disputes the landlord's assertion that the Bay Bloor store was not left in a broom swept condition. Pursuant to the Sale Guidelines, any

FF&E remaining at a vacated Toronto Store is deemed abandoned, with the landlord having the right to dispose of it as it chooses. On October 2, 2019, the Receiver delivered the keys to the Bay Bloor premises to the landlord's counsel. After delivering the keys, the Receiver spoke with the landlord's counsel to advise of its position that the premises was left in a broom swept condition and that the Receiver was not responsible for the disposal of FF&E from the premises. As of the date of this Second Report, the Receiver has not heard anything further from the Bay Bloor landlord or its counsel on this issue.

Supplier Claims

17. Subsequent to the granting of the Appointment Order, eight of the Company's suppliers delivered demands for repossession of goods pursuant to section 81.1 of the BIA (each an "**81.1 Claim**"). Upon receipt of an 81.1 Claim, the Receiver immediately made commercially reasonable efforts to determine the location of the goods at issue and to track the movement and/or sale of any goods identified on the 81.1 Claim, pending completion of the Receiver's review to determine the validity of the 81.1 Claim.
18. A summary of the 81.1 Claims received and their respective treatment is presented below:

Supplier	Date of Claim ⁽¹⁾	Claim Amount ⁽²⁾	Valid Portion	Currency
<i>Disallowed Claims:</i>				
Milberg Factors, Inc. ⁽³⁾	07-Aug-19	135,730	-	CAD
Golden Goose S.P.A.	19-Aug-19	34,332	-	EUR
Jimmy Choo	27-Aug-19	127,868	-	USD
<i>Accepted Claims:</i>				
V.F.G. Canada Corp	12-Aug-19	135,730	73,981	CAD
World Wide Shoes LLP	13-Aug-19	64,138	2,915	USD
Richemont Canada Inc.	15-Aug-19	73,167	62,197	CAD
Scarpe Retail GmbH & Co KG	19-Aug-19	23,082	19,445	EUR
Manolo Blahnik USA, Ltd.	19-Aug-19	180,613	52,330	USD

Notes:

(1) In certain circumstances, refers to date in which the supplier initially asserted an 81.1 Claim, which may have been prior to the date noted on the Form 75.

(2) As filed by the supplier.

(3) Re-filed as a claim by V.F.G. Canada Corp., which was accepted in part by the Receiver.

19. The Receiver, upon its review and investigation, concluded that the following 81.1 Claims were not valid:
 - (i) Milberg Factors, Inc. ("**Milberg**") – Milberg was not a supplier of the goods but rather an assignee of the accounts receivable owing to V.F.G. Canada Corp. ("**Valentino**"). As such, the Receiver delivered written notice to Milberg disallowing its 81.1 Claim but advised Milberg that the Receiver would consider a demand submitted by Valentino. As described below, Valentino subsequently submitted an 81.1 Claim that was accepted in part by the Receiver;

- (ii) Golden Goose S.P.A. (“**Golden Goose**”) – all of the goods claimed by Golden Goose were supplied prior to the 30 days before the Date of Appointment. As such, the Receiver delivered written notice to Golden Goose disallowing its 81.1 Claim; and
 - (iii) Jimmy Choo – Jimmy Choo did not present its 81.1 Claim within the 15 days of the Date of Appointment and as such, the supplier’s right to repossess the goods outlined in the 81.1 Claim expired. Accordingly, the Receiver delivered written notice to Jimmy Choo disallowing its 81.1 Claim.
20. Based on a review of the supporting documentation, the Receiver concluded that a portion of the 81.1 Claims delivered by Richemont Canada Inc. (“**Richemont**”) and World Wide Shoes LLP (“**WWS**”) were valid and the Receiver invited each supplier, or its representative, to attend at the Bay Bloor store to retrieve such goods, at the supplier’s own expense. Richemont arranged to pick up its goods on August 29, 2019. WWS failed to attend, or make arrangements with the Receiver to attend, at the Bay Bloor store to exercise its rights to repossess its goods within the prescribed time period pursuant to section 81.1(5) of the BIA. As such, WWS was deemed to have abandoned its goods and the Receiver sold those goods in the Liquidation Sale.
21. With respect to the 81.1 Claims filed by Valentino, Scarpe Retail GmbH & Co KG, and Manolo Blahnik USA, Ltd. (each, a “**Settling Supplier**”), it was not practical or feasible in the circumstances to identify, segregate, and remove all goods identified on those 81.1 Claims from store shelves without causing a material disruption to the Liquidation Sale. As such, the Receiver, based on its review and investigation, elected to pay to each Settling Supplier the balance owing in respect of the goods that formed part of their claim and that otherwise met the criteria of section 81.1(1) of the BIA (each a “**Settled 81.1 Claim**”). In total, the Receiver made payments to three Settling Suppliers in the aggregate amount of approximately \$165,000.

Dauids Employees

22. As noted in the First Report, 47 of the Company’s former employees (the “**Initial Retained Employees**”) accepted offers of engagement, on a term and task basis, with the Receiver effective August 3, 2019. One additional former employee accepted an offer of engagement since the date of the First Report (collectively with the Initial Retained Employees, the “**Retained Employees**”). The Retained Employees were paid substantially similar base wages and commissions, as applicable, as they had been paid by the Company prior to the receivership. The Retained Employees were also offered certain incentives by the Receiver, in the form of increased commissions and/or bonuses payable on the achievement of certain milestones.
23. The Receiver paid the Retained Employees in the ordinary course up to the last day worked for their respective Closing Store, including any vacation pay earned subsequent to the Date of Appointment. Upon issuance of a Vacate Notice, the Receiver provided notice of the pending store closing to the Retained Employees at the

applicable Closing Store, and where possible, honoured requests to transfer Retained Employees to other Toronto Stores.

24. Subsequent to a Retained Employee's termination, the Receiver paid out any incentives earned by the Retained Employee and issued a record of employment in relation to the engagement term on behalf of the Retained Employee to Service Canada. As at the date of this Second Report, the Receiver has terminated all of the Retained Employees and has paid any amounts owing to the Retained Employees pursuant to the offers of engagement.

V. RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

25. Since the date of the First Report, the Receiver's activities have included:
 - (i) attending at the Company's head office and at the Toronto Stores to deal with operational matters related to the Liquidation Sale or administrative matters related to the receivership;
 - (ii) attending before this Court in respect of the Liquidation Sale Approval Order;
 - (iii) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Receiver on the toll-free telephone hotlines and/or general email account established by the Receiver for these receivership proceedings;
 - (iv) reviewing the Company's books and records, and specifically its accounting and financial records, with respect to the Company's retail inventory, sales and cash;
 - (v) arranging for security at certain of the Toronto Stores;
 - (vi) arranging for the Company's insurance policy to be updated to include the Receiver as the named insured and loss payee;
 - (vii) corresponding extensively with certain of Davids' senior management team and certain representatives of Rosejack regarding several operational and administrative matters, including attending weekly status update meetings;
 - (viii) reviewing and responding to demands for repossession of goods received from suppliers, including the 81.1 Claims, as well as making payments in respect of the Settled 81.1 Claims;
 - (ix) monitoring the receipt of sale proceeds from the Closing Stores;
 - (x) corresponding with Toronto Store landlords in respect of the Sale Guidelines, the sale of FF&E, and the Vacate Notices;

- (xi) dealing with employee matters, including, but not limited to, preparing payroll on a bi-weekly basis, responding to employee enquiries, terminating the engagement of Retained Employees, and preparing/issuing records of employment and T4's;
- (xii) complying with the Receiver's statutory obligations under the Wage Earner Protection Program (the "WEPP");
- (xiii) corresponding with Rosejack in connection with a statement of claim filed by a former Davids employee against HRI, as discussed in greater detail below;
- (xiv) paying post-filing expenses, including occupation rent, sales taxes and operational expenses;
- (xv) dealing with estate banking matters, including corresponding with the Company's banks, HSBC Bank Canada and Scotiabank, and credit card processors, transferring funds from the Company's banks to the estate bank account and completing monthly bank reconciliations;
- (xvi) preparing, on a periodic basis, interim statements of receipts and disbursements;
- (xvii) preparing analyses setting out the overall estimated recovery to Rosejack from the proceeds of the Liquidation Sale, as well as modelling alternative scenarios, including an en bloc sale of certain inventory;
- (xviii) corresponding with parties interested in purchasing certain of the Company's FF&E;
- (xix) drafting and distributing to Potential Interested Parties the Offer Solicitation Letter (both as hereinafter defined) for the opportunity to purchase the IP Assets;
- (xx) carrying out the Solicitation Process (as hereinafter defined), including corresponding with Potential Interested Parties in connection with same;
- (xxi) corresponding with Rosejack and its counsel regarding the status of the Liquidation Sale;
- (xxii) arranging for CRA to attend at the Company's head office to conduct an audit of the Company's payroll and HST accounts, and corresponding with CRA regarding same;
- (xxiii) arranging for the Company's website to be updated with information pertaining to the Liquidation Sale;
- (xxiv) posting materials in connection with these proceedings to the Receiver's website; and
- (xxv) preparing this Second Report.

26. To ensure that creditors and other stakeholders of the Company have access to information about the receivership, general information about these proceedings has been posted on the Receiver's website at <http://www.richter.ca/insolvencycase/davids>. As noted above, the Receiver has also established a dedicated toll-free hotline (1-877-676-4351) for general creditor inquiries, as well as a general email address

(davids@richter.ca) to address specific questions or concerns from stakeholders with respect to these receivership proceedings.

VI. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. Set out below is a summary of the Interim R&D for the period from the Date of Appointment to October 24, 2019 (the "Period"):

Davids Footwear Ltd. Interim Statement of Receipts and Disbursements For the period August 2 to October 24, 2019 (C\$000s; unaudited)	
Receipts	
Sale of inventory	7,102
Receiver's borrowings	600
Post-filing sales taxes (net of ITCs) not yet remitted	408
Cash on hand at Date of Appointment	90
Miscellaneous refunds	65
Interest	10
Total receipts	8,275
Disbursements	
Payroll	
Post-filing	659
Pre-filing	159
Repayment of Receiver's borrowings	601
Professional fees and disbursements	534
Rent	488
Settled 81.1 Claims	165
Sales taxes paid on disbursements	147
Other operating costs	107
Pre-filing HST paid	38
Bank charges	2
Total disbursements	2,900
Estate cash balance	5,375

28. As noted above, the Receiver had total receipts of approximately \$8.3 million over the Period, the majority of which relate to proceeds from sale of the Company's inventory as part of the Liquidation Sale.
29. Total disbursements over the Period were approximately \$2.9 million, primarily consisting of:
- (i) Post-filing payroll and benefits (\$659,000) – includes regular wages, commissions, incentives, vacation pay and benefits to the Retained Employees;

- (ii) Pre-filing wages and vacation (\$159,000) – relates to unpaid wages and/or vacation pay, as applicable, owed to the Company's employees for the period prior to the Date of Appointment, as well as employee/employer source deductions in connection therewith;
 - (iii) Receiver's borrowings (\$601,000) – as noted in the First Report, on August 2, 2019, the Receiver requested and received \$600,000 in borrowings (the "**Receiver's Borrowings**") from Rosejack in order to fund operations and interim expenditures such as rent and payroll. The Receiver repaid the Receiver's Borrowings, plus accrued interest, to Rosejack on August 19, 2019;
 - (iv) Professional fees and disbursements (\$534,000) – fees and disbursements of the Receiver (\$440,000) and Fasken (\$94,000);
 - (v) Rent (\$488,000) – occupation rent paid by the Receiver since the Date of Appointment through to the effective vacate date for each Toronto Store;
 - (vi) 30 Day Goods (\$165,000) – represents the Canadian-dollar equivalent of the aggregate payments made in connection with the Settled 81.1 Claims;
 - (vii) Sales taxes (\$147,000) – paid on disbursements made by the Receiver for rent, professional fees, Settled 81.1 Claims and operating costs;
 - (viii) Other operating costs (\$107,000) – represents various operating costs in connection with the Liquidation Sale, including credit card fees, security, transportation, telecommunication, store supplies and repairs and maintenance, among others; and
 - (ix) Pre-filing HST (\$38,000) – represents the monthly HST remittances in respect of the July 1 to 31, 2019 period and the August pre-filing stub period.
30. As at October 11, 2019, the Receiver had cash on hand of approximately \$5.4 million.
31. The Interim R&D does not include approximately \$573,000 of Accrued Obligations in respect of the Closing Stores such as post-filing sales taxes (net of ITCs), post-filing payroll remittances, occupancy costs, utilities, telecommunications, and security, among others. The Receiver is currently working with the respective vendors to reconcile the amounts and final billings and will make payment of the Accrued Obligations in due course. The Receiver has informed Rosejack of the Accrued Obligations and the Receiver's intention to hold back \$573,000 on account of the Accrued Obligations as part of the Holdback.
32. Other than pursuing the potential recovery of any unclaimed HST input tax credits paid during these proceedings, refund of overpayments on the Company's source remittance account, and certain amounts held by the

Company's payment processors, the Receiver does not anticipate any additional material realizations from the Property as at the date of this Second Report.

VII. STATEMENT OF CLAIM AGAINST HRI & THIRD PARTY CLAIM AGAINST DAVIDS

33. On or about August 13, 2019, a former employee of Davids issued a statement of claim against HRI alleging that he was, in fact, an employee of HRI and that HRI was liable to him for damages on account of his alleged wrongful dismissal.
34. In order to defend the claim, HRI sought the Receiver's consent to lift the stay of proceedings in the Davids receivership to allow it to issue a third party claim against Davids for the purpose of, among other things, seeking a declaration that Davids was the sole employer of the plaintiff and was solely responsible for any losses suffered by the plaintiff as a result of his alleged wrongful dismissal.
35. HRI requested, and the Receiver agreed, to consent to lift the stay of proceedings for the limited purpose of allowing HRI to issue a third party claim against Davids on certain conditions, including that: (i) any judgment obtained against Davids in connection with the action would be stayed by the Appointment Order, as any such judgment would constitute an unsecured claim in the receivership proceedings of Davids; (ii) the Receiver would consider reasonable requests for the production of documents that may be relevant to the claim, subject to any privacy issues and subject to the Receiver being paid its fees and disbursements by the party requesting such information/documentation; and (iii) the Receiver would not be required to submit to examinations for discovery in the claim.
36. HRI filed a statement of defence on September 24, 2019. The materials in connection with the within motion will be served on the parties to the action and the third party claim.

VIII. SOLICITATION PROCESS FOR IP ASSETS

37. Prior to commencing the Liquidation Sale, the Receiver had discussions with certain parties, including Rosejack, who made inquiries about the Receiver's intentions with respect to the Company's intellectual property assets, including the "DAVIDS" trademark and trade name. These initial discussions did not materialize into any formal offers for the IP Assets and the indications of value discussed were for nominal amounts. In light of the fact that the "DAVIDS" name is known in the Toronto luxury market, but not nationally, the Receiver is of the view that any potential buyer pool for the IP Assets would be limited.
38. Given the interest that certain parties had expressed in purchasing the IP Assets, and having regard to the local nature of the "DAVIDS" name, the Receiver ran a focussed and expedited solicitation process to determine

whether there was any other third-party interest in the IP Assets in order to maximize the recovery on the Property. The Receiver developed a solicitation process (the “**Solicitation Process**”) to market the IP Assets to a targeted list of interested parties, including those who held the initial discussions with the Receiver about purchasing the IP Assets, as well as other potential buyers in the footwear industry. The key aspects of the Solicitation Process and its results are summarized as follows:

- (i) the Receiver assembled a list of potential interested parties, which comprised strategic and financial buyers (collectively, the “**Potential Interested Parties**”);
- (ii) on October 4, 2019, the Receiver distributed an offer solicitation letter (the “**Offer Solicitation Letter**”) to the Potential Interested Parties detailing the opportunity to purchase the IP Assets. In total, the Receiver contacted ten parties to advise of the opportunity to acquire the IP Assets. A copy of the Offer Solicitation Letter is attached hereto as **Appendix “D”**;
- (iii) in order to make an offer for the IP Assets, Potential Interested Parties were required to submit a non-binding Letter of Intent (“**LOI**”) to the Receiver by 12:00 p.m. EST on October 16, 2019 (the “**Bid Deadline**”); and
- (iv) two LOIs were received by the Bid Deadline, including a credit bid from Rosejack.

39. Subsequent to the Bid Deadline, the Receiver contacted the parties that submitted the LOIs to request final and best offers by 10:00 a.m. on October 17, 2019. Neither party revised its LOI. The Receiver selected Rosejack as the successful bidder as its LOI was substantially higher than the other LOI.

IX. THE TRANSACTION

40. On October 25, 2019, Rosejack and the Receiver entered into the IP Sale Agreement. The key elements of the Transaction contemplated under the IP Sale Agreement are as follows:

- (i) Rosejack is acquiring the IP Assets on an “as is, where is” basis;
- (ii) the consideration for the Transaction is a credit bid. As set out below, the Receiver is seeking to have the purchase price sealed pending further order of the Court;
- (iii) the Transaction is conditional on the Court approving the Transaction and granting the Approval and Vesting Order; and
- (iv) if the Court grants the Approval and Vesting Order, the Transaction will close on the earlier of: (i) the expiry of the appeal period after the entry of the Approval and Vesting Order, if no appeal has been filed; (ii) if an appeal has been filed within the applicable appeal period, the day upon which that appeal has been finally dismissed; or (iii) such other date as agreed to by Rosejack and the Receiver in writing.

41. Upon satisfaction of all of the conditions to closing, the Receiver shall deliver to Rosejack and file with the Court a certificate confirming that the Transaction has been completed to the satisfaction of the Receiver and confirming the closing of the Transaction.
42. The Receiver is of the view that the unredacted IP Sale Agreement, which includes the Transaction's purchase price, be filed with the Court on a confidential basis, and be subject to a sealing order (the "**Sealing Order**") pending closing of the Transaction. The unredacted IP Sale Agreement contains commercially sensitive information that, if released, may jeopardize the closing of the Transaction and any subsequent attempts to market the IP Assets. The Receiver is not aware of any party that will be prejudiced if the information is sealed and, accordingly, believes the proposed Sealing Order is appropriate in the circumstances. A redacted copy of the IP Sale Agreement is attached hereto as **Appendix "E"**. An unredacted copy of the IP Sale Agreement is attached as **Confidential Appendix "1"**.
43. Based on the foregoing, it is the Receiver's view that the Transaction will generate the best value for the IP Assets and, as such, respectfully recommends that this Court make an order approving the IP Sale Agreement and the Transaction contemplated therein, authorizing the Receiver to take any and all steps necessary to complete the Transaction and vesting, upon the closing of the Transaction, all right, title and interest of Company, if any, in and to the IP Assets to Rosejack free and clear of all liens, charges, security interests and other encumbrances.

X. PRIORITY CLAIMS

44. The security granted by Davids in favour of Rosejack is subject to prior charges and security interests or claims in respect of the Property, which include:
 - (i) the Receiver's Charge;
 - (ii) the Receiver's Borrowings Charge;
 - (iii) the Pre-Filing HST Claim; and
 - (iv) Statutory claims pursuant to the BIA (the "**BIA Claims**").

Receiver's Charge

45. As noted above, the fees and disbursements of the Receiver and its legal counsel, Fasken, have been paid up to October 11, 2019 and October 23, 2019, respectively, and total approximately \$534,000, exclusive of HST. In addition, the Receiver and Fasken have estimated Remaining Fees and Disbursements in the amount of \$120,000 (excluding HST). The Remaining Fees and Disbursements will be funded from the Holdback.

Receiver's Borrowing Charge

46. Pursuant to paragraph 23 of the Appointment Order, the Receiver was authorized to borrow up to \$1,000,000, as it considered necessary or desirable to fund the cost of the receivership. As discussed above, on August 2, 2019, the Receiver borrowed, by way of a receiver's certificate, \$600,000 (the "**Receiver's Borrowings**") from Rosejack. The Receiver's Borrowings, plus interest, was repaid to Rosejack on August 19, 2019. As of the date of this Second Report, no Receiver's Borrowings are outstanding.

Pre-Filing HST Claim

47. By letter dated September 13, 2019, CRA advised the Receiver that the Company's pre-filing HST returns had been reassessed and an amount of \$84,956.24 was due and outstanding (the "**HST Assessment**"). A copy of the CRA letter is attached hereto as **Appendix "F"**.
48. The Receiver has reviewed the matter and notes the HST Assessment is inconsistent with the Company's books and records and could potentially be overstated by approximately \$30,000. As of the date of the Second Report, the Receiver and CRA are in the process of reconciling the difference between the HST Assessment and the amounts in the Company's books and records. As the Pre-Filing HST Claim would rank in priority to the claims of Rosejack as against the Property, it is the Receiver's intention to pay the Pre-Filing HST Claim to CRA once the amount owing has been determined.
49. The Receiver is seeking the Court's approval to pay the amount owing to CRA up to the amount of the HST Assessment. Due to the uncertainty of the outcome of the reconciliation, the entire HST Assessment has been included in the Holdback.

BIA Claims

50. As previously noted, the Receiver has addressed all eight of the 81.1 Claims received subsequent to the Date of Appointment, including making payments in connection with the Settled 81.1 Claims. Accordingly, the Receiver is of the view that no reserve is required in respect of the 81.1 Claims.
51. Since the Date of Appointment, the Receiver has paid approximately \$37,000 in respect of pre-filing wages and approximately \$113,000 in respect of pre-filing vacation pay to the Company's former employees. Based on the Receiver's review of the Company's books and records, there were no outstanding amounts owed to the Company's former employees in respect of wages and/or vacation pay as at the date of this Second Report. Accordingly, the Receiver is not aware of any amounts that could be owing pursuant to section 81.4 of the BIA.

52. The Receiver understands that the Company did not provide a registered pension plan for its employees. Accordingly, the Receiver is not aware of any amounts that could be owing pursuant to section 81.6 of the BIA.
53. As at the date of this Second Report, the Receiver is not aware of any claims, other than those noted above, that would rank in priority to the claims of Rosejack as against the Property, or the proceeds therefrom.

XI. PROPOSED ROSEJACK DISTRIBUTION

54. As stated in this First Report, Fasken has provided a written opinion to the Receiver confirming the validity and enforceability of Rosejack's security as against the Property in the Province of Ontario, subject to the standard assumptions, qualifications and limitations contained therein.
55. At this time, Rosejack is seeking an order of the Court authorizing the Receiver to pay the Rosejack Distribution, which, for clarity, represents the funds available for distribution after providing for the Holdback. The Receiver is satisfied that the Holdback will leave sufficient funds in the estate to pay, in full, any and all amounts that rank, or may rank, in priority to Rosejack's security, as discussed above.
56. Upon addressing the Remaining Matters (as discussed below), the Receiver is seeking an order to permit it to distribute any residual amounts remaining in the Holdback, or subsequently collected by the Receiver, to Rosejack without further order of this Court, provided the aggregate distributions to Rosejack do not exceed the indebtedness owed to it by the Company.

XII. REMAINING MATTERS AND RECEIVER'S DISCHARGE

57. If this Court grants the orders requested herein, the Receiver will have completed its duties and obligations as set out in the Appointment Order and subsequent orders of this Court, save and except for the following (the "**Remaining Matters**"):
- (i) payment of the Rosejack Distribution, as outlined in the Second Report;
 - (ii) work with Employment and Social Development Canada to comply with the Receiver's obligations under the WEPP;
 - (iii) payment of the Accrued Obligations and the Remaining Fees and Disbursements;
 - (iv) settle the Pre-Filing HST Claim;
 - (v) filing any outstanding HST returns and pursuing potential recovery of any unclaimed HST input tax credits paid during these proceedings;

- (vi) other administrative matters incidental to these proceedings such as filing the Receiver's report pursuant to section 246(3) of the BIA; and
- (vii) make any final distribution to Rosejack.

58. Upon the completion of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as those duties set out in the Appointment Order. Accordingly, the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver upon the filing of the Discharge Certificate with this Court certifying that all of the Remaining Matters have been completed.

XIII. REQUEST FOR APPROVAL OF FEES

59. The Receiver and its counsel, Fasken, have maintained detailed records of their professional fees and disbursements prior to and since the Date of Appointment.
60. In accordance with the Appointment Order, the Receiver has been authorized to periodically pay its fees and disbursements, and that of its counsel, subject to approval by the Court.
61. The Receiver's professional fees incurred for services rendered from the Date of Appointment to October 11, 2019 amount to \$437,348.25, plus disbursements in the amount of \$2,824.99 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Receiver's professionals is described in the affidavit of Adam Zeldin, sworn October 25, 2019, attached hereto as **Appendix "G"**.
62. The fees of Fasken for services rendered from the Date of Appointment to October 23, 2019 total \$93,141.50, plus disbursements in the amount of \$1,160.23 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Fasken's professionals is described in the affidavit of Dylan Chochla, sworn October 25, 2019, attached hereto as **Appendix "H"**.
63. The Receiver has reviewed Fasken's accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.
64. In addition to the fees paid to Richter and Fasken as of October 11, 2019 and October 23, 2019, respectively, and 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 Receiver and Fasken have estimated Remaining Fees and Disbursements in the amount of \$120,000 (excluding HST).

65. The above estimate represents the Receiver and Fasken's best estimate of the reasonable professional and legal fees required to complete the administration of these proceedings up to the effective date of discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Receiver is authorized to pay those excess fees with either (i) the consent of Rosejack or (ii) pursuant to further Order of the Court.

XIV.RECOMMENDATION

66. Based on the foregoing, the Receiver respectfully recommends that the Court grant the Order granting the relief detailed in paragraph 4(viii) and (ix) of the Second Report.

All of which is respectfully submitted this 25th day of October, 2019.

Richter Advisory Group Inc.
In its capacity as Receiver and Manager of
 Davids Footwear Ltd.
and not in its personal or corporate capacity

Per:



Pritesh Patel,
MBA, CFA, CIRP, LIT
Senior Vice President

Appendix “A”



CV-19-00624 902-0002
Court File No.

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

THE HONOURABLE
MADAM JUSTICE CONWAY

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FRIDAY, THE 2nd
DAY OF AUGUST, 2019

ROSEJACK INVESTMENTS LTD.

Applicant

- and -

DAVIDS FOOTWEAR LTD.

Respondent

**ORDER
(Appointment of Receiver)**

THIS APPLICATION made by Rosejack Investments Ltd. ("Rosejack") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Richter Advisory Group Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Davids Footwear Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Larry Rosen sworn July 31, 2019 and the Exhibits thereto and on hearing the submissions of counsel for Rosejack, counsel for Richter Advisory Group Inc., no one appearing for any other party, although duly served, as appears from the affidavit of service of Mariela Adriana Gasparini sworn July 31, 2019 and on reading the consent of Richter Advisory Group Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA Richter Advisory Group Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the power to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership; and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

4. THIS COURT ORDERS that, if and to the extent the Receiver operates the retail business of the Debtor, (i) the Receiver is authorized, until further order of this Court, to honour and accept gift cards and merchandise credits issued by the Debtor on or before the date of this Order, and (ii) the Receiver shall not accept returns of merchandise purchased after the date of this Order and shall not continue the Debtor's "Preferenza" rewards program or honour or accept points under that program.

AND ACCEPT RETURNS FOR MERCHANDISE THAT WAS PURCHASED ON OR BEFORE THE DATE OF THIS ORDER, IN ACCORDANCE WITH THE DEBTOR'S REWARDS POLICY

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

14. THIS COURT ORDERS that, if and to the extent the Receiver is obligated to pay occupation rent in respect of any leased premises, such occupation rent shall be paid by the Receiver twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), for the period commencing from and including the date on which the Receiver is first obligated to pay occupation rent in respect of such premises (the "Occupation Date"). On the date of the first of such payments, any occupation rent relating to the period commencing from and including the Occupation Date shall also be paid.

RECEIVER TO HOLD FUNDS

15. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. THIS COURT ORDERS that all employees of the Debtor be and are hereby terminated as employees of the Debtor effective as of 10:00 p.m. on August 2, 2019 (the "Termination Date"). The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. The Receiver is authorized, but not directed, to pay on the Debtor's behalf, at such times and in such amounts as the Receiver deems appropriate, amounts owing to the Debtor's employees in respect of wages, salaries, commissions or compensation that are incurred by the Debtor, to and including the Termination Date.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

19. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this

Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<https://www.richter.ca/insolvencycase/davids>'.

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

GENERAL

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

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

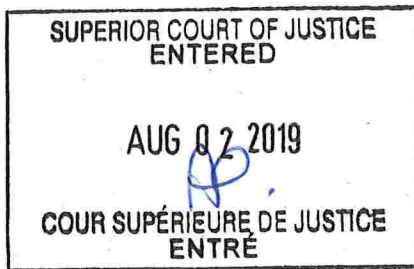
31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver 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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than ~~seven~~ ^{FIVE (5)} (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Conway



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Richter Advisory Group Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Davids Footwear Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 2019 (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

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

DATED the _____ day of _____, 20__.

RICHTER ADVISORY GROUP INC., solely in
its capacity as Receiver of the Property, and not
in its personal capacity

Per: _____

Name:

Title:

Cv-19-00624902-0001
Court File No.

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ROSEJACK INVESTMENTS LTD. - and - DAVIDS FOOTWEAR LTD.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Appointment of Receiver)

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Lawyers for the Applicant

Appendix “B”



Court File No. CV-19-00624902-00CL

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

THE HONOURABLE

Mr. Pann

)
)
)

FRIDAY, THE 23rd

DAY OF AUGUST, 2019

ROSEJACK INVESTMENTS LTD.

Applicant

- and -

DAVIDS FOOTWEAR LTD.

Respondent

LIQUIDATION SALE APPROVAL ORDER

THIS MOTION made by Richter Advisory Group Inc., in its capacity as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Davids Footwear Ltd. (the “**Debtor**”), acquired for, or used in relation to, a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the first report of the Receiver dated August 16, 2019 and the appendices thereto (the “**First Report**”), and on hearing the submissions of counsel for the Receiver and counsel for the Applicant, no one else appearing although duly served as appears from the affidavit of service of Czarina Reyes sworn August 16, 2019, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

FIRST REPORT OF THE RECEIVER

2. **THIS COURT ORDERS** that the First Report, and the activities of the Receiver as set out in the First Report, be and are hereby approved; provided, however, that only the Receiver, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

LIQUIDATION SALE

3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to conduct the Liquidation Sale (as defined and described in the First Report) at the Toronto Stores (as defined in the First Report) in accordance with the sale guidelines attached hereto and marked as Schedule "A" (the "**Sale Guidelines**"), which Sale Guidelines are hereby approved.

4. **THIS COURT ORDERS**, that all of the Debtor's merchandise and furniture, fixtures and equipment purchased in the Liquidation Sale (the "**Liquidation Assets**") shall, upon completion of each sale, be acquired by the purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected,

registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated August 2, 2019 (the “**Appointment Order**”); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Liquidation Assets sold in accordance with this Order are hereby expunged and discharged as against such assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Liquidation Assets shall stand in the place and stead of those assets, and that all Claims and Encumbrances shall attach to the net proceeds from the sale of the Liquidation Assets with the same priority as they had with respect to those assets immediately prior to the sale, as if the Liquidation Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

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


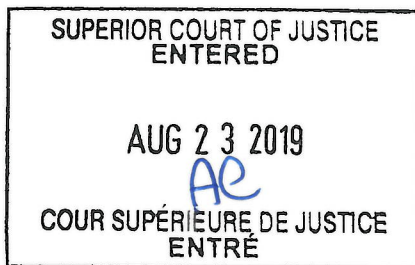
7. **THIS COURT ORDERS** that the Receiver shall provide to the applicable Landlord not less than ten (10) calendar days' prior written notice of its intention to vacate each Toronto Store which is occupied.

GIFT CARDS AND MERCHANDISE CREDITS

8. **THIS COURT ORDERS** that, from and after October 1, 2019, the Receiver be and is hereby authorized to cease honouring and accepting gift cards and merchandise credits issued by the Debtor on or before the date of the Appointment Order.

GENERAL

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to be "R. J.", is written above a horizontal line.

SCHEDULE "A"

SALE GUIDELINES

On August 2, 2019, by order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), Richter Advisory Group Inc. was appointed as receiver (in such capacity, the "**Receiver**") of the assets, undertakings and properties of Davids Footwear Ltd. (the "**Debtor**"). Among other things, the Appointment Order authorizes the Receiver to carry on the business of the Debtor, and to engage such persons as may be necessary to assist the Receiver to carry out its duties under the Appointment Order. The Receiver has engaged certain of the Debtor's employees to continue to operate the Debtor's retail locations and to sell merchandise located at the Stores (as defined below).

The following procedures shall apply to the liquidation sale (the "**Liquidation Sale**") to be conducted by the Receiver at the Stores pursuant to the liquidation sale approval order (the "**Liquidation Order**").

1. Except as otherwise expressly set out herein, and subject to: (i) the Appointment Order, the Liquidation Order, or any further Order of the Court; or (ii) any subsequent written agreement between the Receiver and the applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**"); or (iii) as otherwise set forth herein, the Liquidation Sale shall be conducted in accordance with the terms of the applicable leases or other occupancy agreements to which the affected Landlords are privy (individually, a "**Lease**" and, collectively, the "**Leases**") for the following stores:
 - (a) 1200 Bay Street/ 66 Bloor Street West, Toronto, Ontario;
 - (b) Bayview Village Shopping Centre, 2901 Bayview Avenue, Toronto, Ontario;
 - (c) CF Sherway Gardens, 25 The West Mall, Etobicoke, Ontario; and
 - (d) Yorkdale Shopping Centre, 3401 Dufferin Street, North York, Ontario(individually, a "**Store**" and, collectively, the "**Stores**").

provided, however, that nothing contained herein shall be construed to deem the Receiver to have assumed any Lease, or any obligations thereunder, nor to create or impose upon the Receiver any restrictions in the conduct of the Liquidation Sale which are not contained in the applicable Lease.

2. The Liquidation Sale at each Store shall end at the earlier of (i) the effective time of any notice of intention to vacate a Store delivered by the Receiver to the applicable Landlord in accordance with the Liquidation Order;¹ or (ii) December 2, 2019 (the "**Liquidation Sale Termination Date**"). The Liquidation Sale shall be conducted so that each of the Stores remains open during its normal hours of operation provided for in its respective

¹ The Liquidation Order requires that the Receiver provide the Landlord with at least ten (10) days' notice of its intention to vacate a Store.

Lease until the applicable Liquidation Sale Termination Date for such Store. The Liquidation Sale at the Stores shall end by no later than the Liquidation Sale Termination Date. Occupation rent shall be paid in accordance with the terms of the Appointment Order.

3. The Liquidation Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Receiver in connection with the Liquidation Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Receiver may advertise the Liquidation Sale at the Stores as an “everything on sale”, an “everything must go”, a “store closing” or similar theme sale at the Stores (provided however that no signs shall advertise the Liquidation Sale as a “bankruptcy”, a “going out of business” or a “liquidation” sale, it being understood that the French equivalent of “clearance” is “liquidation” and is permitted to be used). Forthwith upon request from a Landlord or the Landlord’s counsel, the Receiver shall provide the proposed signage packages along with the proposed dimensions and number of signs by e-mail or facsimile to the applicable Landlords or to their counsel of record. Where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Receiver shall not use neon or day-glow or handwritten signage (unless otherwise contained in the sign package, including “you pay” or “topper” signs). In addition, the Receiver shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Stores with a separate entrance from the exterior of the enclosed mall, provided, however, that where such banners are not permitted by the applicable Lease and the Landlord requests in writing that the banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the service list in the receivership proceeding (the “**Service List**”). Any banners used shall be located or hung so as to make clear that the Liquidation Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Debtor. If a Landlord is concerned with “store closing” signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Receiver and the Landlord will discuss the Landlord’s concerns and work to resolve the dispute.
5. The Receiver shall not utilize any commercial trucks to advertise the Liquidation Sale on the Landlord’s property or mall ring roads. The Receiver shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Receiver shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the applicable Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.

7. Conspicuous signs shall be posted in the cash register and merchandise areas of each Store to the effect that all sales are "final".
8. The Receiver shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Receiver may solicit customers in the Stores themselves. The Receiver shall not use any giant balloons, flashing lights or amplified sound to advertise the Liquidation Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Liquidation Sale in each Store, the Receiver shall arrange that the premises for each Store are in "broom-swept" and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Liquidation Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Liquidation Sale. No permanent fixtures (other than FF&E (defined below) which for clarity is owned by the Debtor) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Store after the Liquidation Sale Termination Date in respect of which the applicable Store has been vacated by the Receiver shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord.
10. Subject to the terms of paragraphs 9 and 11 of these Sale Guidelines, and the provisions of the Appointment Order, the Receiver may sell furniture, trade fixtures and equipment owned by the Debtor ("**FF&E**") which is located in the Stores during the Liquidation Sale. For greater certainty, FF&E does not include any portion of the Stores' HVAC, sprinkler, fire suppression or fire alarm systems. The Receiver may advertise the sale of FF&E consistent with these Sale Guidelines on the understanding that any applicable Landlord may require that such signs be placed in discreet locations acceptable to the applicable Landlord, acting reasonably. Additionally, the purchasers of any FF&E sold during the Liquidation Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the applicable Landlord, or through other areas after regular store business hours, or through the front door of the Store during store business hours if the FF&E can fit in a shopping bag, with the applicable Landlord's supervision as required by the applicable Landlord. The Receiver shall repair any damage to the Stores resulting from the removal of any FF&E by the Receiver or by third party purchasers of FF&E from the Receiver.
11. The Receiver hereby provides notice to the Landlords of the Receiver's intention to sell and remove FF&E from the Stores. The Receiver will arrange with each Landlord represented by counsel on the Service List and with any other applicable Landlord that so requests, a walk through with the Receiver to identify the FF&E subject to the Liquidation Sale. The relevant Landlord shall be entitled to have a representative present in the Store to observe such removal. If the Landlord disputes the Receiver's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Applicant, the Receiver and such Landlord, or by further Order of the Court upon application by the Receiver on at

least two (2) days' notice to such Landlord and the Applicant. If the Receiver has given notice of its intention to vacate the Store in accordance with the Liquidation Order, it shall not be required to pay occupation rent under the applicable Lease pending resolution of any such dispute (other than occupation rent payable for the notice period provided for in the Liquidation Order), and the vacation of the Store shall be without prejudice to the Receiver's claim to the FF&E in dispute.

12. If a notice of intention to vacate a Store is delivered pursuant to the Liquidation Order to a Landlord while the Liquidation Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the vacation, the applicable Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Receiver 24 hours' prior written notice; and (b) at the effective time of the vacation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Debtor in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.
13. The Receiver and its agents and representatives shall have the same access rights to the Stores as the Debtor under the terms of the applicable Lease, and the applicable Landlords shall have the rights of access to the Stores during the Liquidation Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).
14. The Receiver shall not conduct any auctions of merchandise or FF&E at any of the Stores.
15. The Receiver shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Liquidation Sale. The initial contact person for the Receiver shall be Shane Connelly who may be reached by phone at 416-488-2345 ext. 2247 or email at SConnolly@Richter.ca. If the parties are unable to resolve the dispute between themselves, the Landlord or the Receiver shall have the right to schedule a "status hearing" before the Court on no less than two (2) days' written notice to the other party or parties, during which time the Receiver shall cease all activity in dispute other than activity expressly permitted herein, pending the determination of the matter by the Court; provided, however, that if a banner has been hung in accordance with these Sale Guidelines and is thereafter the subject of a dispute, the Receiver shall not be required to take any such banner down pending determination of the dispute.
16. Nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Receiver and any applicable Landlord (provided that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving the amended Sale Guidelines).

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

ROSEJACK INVESTMENTS LTD.

-and- DAVIDS FOOTWEAR LTD.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

LIQUIDATION SALE APPROVAL ORDER

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**Lawyers for Richter Advisory Group Inc., in its capacity
as court-appointed receiver**

Appendix “C”

Court File No. CV-19-00624902-00CL

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
DAVIDS FOOTWEAR LTD.**

AUGUST 16, 2019

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PURPOSE OF REPORT.....	1
III.	TERMS OF REFERENCE	2
IV.	BACKGROUND	2
V.	RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT	6
VI.	PROPOSED LIQUIDATION ORDER	9
VII.	RECOMMENDATION	11

APPENDICES

APPENDIX "A" – Receivership Order dated August 2, 2019

APPENDIX "B" – Endorsement dated August 2, 2019

APPENDIX "C" – Affidavit of Mr. Larry Rosen sworn July 31, 2019 (without exhibits)

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

BETWEEN:

ROSEJACK INVESTMENTS LTD.

Applicant

- and -

DAVIDS FOOTWEAR LTD.

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
DAVIDS FOOTWEAR LTD.**

AUGUST 16, 2019

I. INTRODUCTION

1. Pursuant to an application by Rosejack Investments Ltd. ("**Rosejack**" or the "**Lender**") under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, Richter Advisory Group Inc. ("**Richter**") was appointed as receiver and manager (in such capacity, the "**Receiver**") without security over all the assets, undertakings and properties (the "**Property**") of Davids Footwear Ltd. ("**Davids**" or the "**Company**") by way of an order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated August 2, 2019 (the "**Date of Appointment**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**. A copy of the Endorsement dated August 2, 2019 is attached hereto as **Appendix "B"**.
2. This report is the Receiver's first report (the "**First Report**") filed with this Court in connection with these receivership proceedings.

II. PURPOSE OF REPORT

3. The purpose of the First Report is to:
 - (i) provide background information on the Company, including its operations and financial position;
 - (ii) provide an overview of the activities of the Receiver since the Date of Appointment;
 - (iii) outline the key aspects of the Receiver's liquidation plan (the "**Liquidation Plan**"), including an overview of the proposed sale guidelines (the "**Sale Guidelines**") to govern the liquidation of the Company's inventory, and its furniture, fixtures and equipment (the "**FF&E**"); and
 - (iv) recommend the Court grant an order:
 - a) approving the activities of the Receiver as outlined in this First Report;
 - b) authorizing the Receiver to cease honouring and accepting gift cards and merchandise credits issued by the Debtor on or before the date of the Appointment Order beyond September 30, 2019; and
 - c) approving the Liquidation Plan and the Sale Guidelines, and authorizing the Receiver to take such steps as necessary to implement same.

III. TERMS OF REFERENCE

4. In preparing this First Report, Richter has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with the Lender and its legal counsel (collectively, the "**Information**"). In accordance with industry practice, Richter has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
5. The First Report should be read in conjunction with the affidavit of Mr. Larry Rosen sworn on July 31, 2019 (the "**Rosen Affidavit**"), filed in support of Rosejack's application for the appointment of the Receiver, as certain information contained in the Rosen Affidavit has not been included herein in order to avoid unnecessary duplication. A copy of the Rosen Affidavit (without exhibits) is attached hereto as **Appendix "C"**.
6. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

Company Overview

7. Davids is one of Toronto's leading shoe retailers, specializing in luxury footwear and working with European fashion houses to bring designer footwear products to the Canadian market. Since opening its first store in 1951, Davids has expanded to five locations across Ontario, as well as an e-commerce site, www.davidsfootwear.com.
8. The Company was founded in 1951 by Louis and Julia Markowitz and for more than 60 years was operated by the Markowitz family. On November 6, 2017, Rosejack acquired the Company pursuant to an asset purchase agreement between, among others, Davids, Markio Designs Inc., Laindon Limited, Richard Markowitz, David Markowitz, Faye Markowitz, Alan Markowitz, Aimco Investments Inc., DAFA Investments Inc. and RMCO Investments Inc.
9. The current shareholders of Davids are Rosejack, which holds 70% of the common shares and Grange Avenue Holdings Ltd., which holds 30% of the common shares.
10. Davids is incorporated under the *Business Corporations Act* (Ontario). The Company's registered office is located at 77 Bloor Street West, Suite 500, Toronto, Ontario (the "**Central Office**"), which is also the head office for Harry Rosen Inc. ("**HRI**"). As noted in the Rosen Affidavit, HRI has provided Davids with tenancy at the Central Office

space without charge since November 2017. In addition, the Company also shares a warehouse and distribution center with HRI to handle retail store replenishment, at no cost to Davids. At the Date of Appointment, Davids operated five retail stores throughout Ontario, as follows:

- (i) four retail locations operating from leased premises across Toronto (the “**Toronto Stores**”), the largest of which is located at 66 Bloor Street West; and
- (ii) one retail location in Ottawa, Ontario at 50 Rideau Street (the “**Rideau Store**”), which is co-located with an HRI store. The lease for the Rideau Store is with HRI. HRI does not charge Davids rent for the Rideau Store.

11. In addition to the retail stores, Davids assumed an offer to lease dated December 18, 2015, as amended, with 94 Cumberland Street Retail Inc. in order to transition the store at 66 Bloor Street West to a new location in March 2020, as described in greater detail in the Rosen Affidavit. Possession of this location was scheduled to occur in and around March 2020.
12. According to the Company’s most recent internal, unaudited financial statements, as at July 6, 2019, the Property consisted of the following:

Davids Footwear Ltd.		
Assets (in 000s)		
As at July 6, 2019		
Accounts Receivable	\$	4
Inventory		4,633
Income & Prepaid Expenses		972
Fixed Assets (Net)		2,042
Goodwill		2,300
Total	\$	9,951

Note: The above amounts represent the net book values of the Company’s assets as detailed in the Company’s book and records and do not necessarily represent the sale or liquidation value of the Property.

13. As at the Date of Appointment, Davids employed approximately 57 individuals, comprised of 51 employees (the “**Retail Employees**”) at its retail locations and 6 employees (the “**Central Office Employees**”) in the Central Office, performing e-commerce, procurement, inventory management and other administration functions. The Company’s workforce is not unionized and the Company does not maintain a pension plan for its employees. Pursuant to the Appointment Order, all employees of Davids were terminated effective as of 10:00 p.m. (EST) on the Date of Appointment. As discussed in greater detail below, the Receiver made offers of engagement, on a

term and task basis, to substantially all of the active Retail Employees and certain of the Central Office Employees.

14. Further background information about Davids, including its causes of financial difficulties and insolvency, is detailed extensively in the Rosen Affidavit and not repeated herein.

Company's Creditors

15. The Receiver understands that Davids had total liabilities of approximately \$11.6 million as per its most recent internal, unaudited financial statements, as at July 6, 2019, as summarized in the table below:

Davids Footwear Ltd.		
Total Liabilities (in 000s)		
<i>As at July 6, 2019</i>		
Bank Indebtedness (net)	\$	95
Trade Payables		1,243
Accrued Liabilities		1,306
Long Term Liabilities		9,000
	\$	11,644

HSBC

16. The bank indebtedness amount shown above relates to borrowings under the Company's credit facilities with HSBC Bank Canada ("**HSBC**"). As noted in the Rosen Affidavit, the Company repaid all obligations owing to HSBC on July 29, 2019, and on July 30, 2019, HSBC provided a release agreement to Davids whereby the credit facilities that were extended by HSBC to Davids were terminated and the security held by HSBC was discharged and released.

Rosejack

17. The long-term liabilities that are in excess of \$9.0 million relate to the Company's secured obligations owed to Rosejack pursuant to advances made to Davids under a secured demand grid promissory note dated November 6, 2017 (the "**Secured Note**"). As security for the repayment of all amounts owing under the Secured Note, Davids provided a general security agreement in favour of Rosejack, including a security interest in all of the present and after acquired personal property of Davids (collectively the "**Rosejack Security**").
18. The Receiver has received a written opinion from its independent counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), that subject to customary assumptions and qualifications for opinions of this nature, the security interests in favour of Rosejack are valid and enforceable in the Province of Ontario.

Unsecured Trade Creditors

19. The accrued liabilities noted in the table above primarily relate to accrued expenses, employee-related costs, sales taxes and liabilities related to certain customer programs. Davids maintained programs pursuant to which customers could purchase prepaid physical gift cards (the “**Gift Cards**”) or were issued merchandise credits (the “**Merchandise Credits**”) in exchange for certain returns. The Gift Cards were issued in various denominations (up to a maximum of \$2,500) and could be redeemed in-store or online for merchandise. The Merchandise Credits could only be redeemed in-store for merchandise. The Receiver understands that the majority of the Merchandise Credits were issued prior to the Rosejack acquisition on November 6, 2017.
20. Based on the Company’s books and records, Davids had approximately \$60,000 in Gift Cards (relating to 250 accounts) and \$130,000 in Merchandise Credits (relating to 670 customer accounts) outstanding as at July 23, 2019.
21. In addition to the above, the Receiver understands that the Company had outstanding trade payables of approximately \$1.4 million as at the Date of Appointment, the majority of which relates to amounts owed to the Company’s foreign suppliers of footwear products and accessories.

Potential Priority Claims

22. Based on the Company’s books and records, the Receiver understands that Davids had liabilities as of the Date of Appointment that rank, or may rank, in priority to the secured claim of Rosejack, including:
 - (i) approximately \$113,000 owed to former employees of Davids, in respect of gross vacation pay accrued to the Date of Appointment (the “**Pre-Filing Vacation Pay**”);
 - (ii) approximately \$37,000 owed to former employees of Davids, in respect of gross wages and commissions accrued for the stub period between the Company’s last payroll run for pay period ending July 27, 2019 (the “**Stub Period Wages**”) and the Date of Appointment; and
 - (iii) approximately \$200,000 owed to Canada Revenue Agency (“**CRA**”), in respect of pre-filing sales taxes for July (the “**Pre-Filing HST**”).
23. Pursuant to paragraph 16 of the Appointment Order, the Receiver is authorized to pay on the Company’s behalf, at such times and in such amounts as the Receiver deems appropriate, amounts owing to the Company’s employees in respect of wages, salaries, commissions or compensation that are incurred by the Company to and including the Date of Appointment. On or about August 14, 2019, the Receiver paid the Stub Period Wages and the Pre-Filing Vacation Pay out of proceeds from the Property for all employees, even those not retained during

these proceedings. Based on the Company's books and records, 27 employees received payments that would exceed their entitlements under section 81.4(5) of the BIA, an aggregate of approximately \$73,000 in excess of the \$2,000 priority amount per employee. These payments were authorized under the Appointment Order and consented to by Rosejack.

24. The Company's books and records indicate that Davids had collected approximately \$200,000 in HST for sales in July 2019, which amount would rank in priority to the Rosejack Security as against the Property. The Receiver is currently reviewing the Company's sales tax records and intends to pay the Pre-Filing HST, net of any applicable input tax credits, out of the proceeds from the Property in the ordinary course.
25. The Lender is aware of the Pre-Filing Vacation Pay, the Stub Period Wages and the Pre-Filing HST and supports the payment of these amounts by the Receiver.
26. In addition, the appointment of the Receiver resulted in some suppliers having the right under section 81.1 of the BIA to demand that the Receiver either pay for, or return, certain goods supplied in the 30 days prior to the Date of Appointment ("**30 Day Goods Claims**"). To date, the Receiver has received four (4) 30 Day Goods Claims in the total amount of approximately \$430,000. The Receiver is reviewing those claims and has been in contact with the 30 Days Goods claimants. If all or a portion of these claims are validated, the Receiver may elect to pay the suppliers the amount of the approved 30 Day Goods Claims and to sell the inventory through the Liquidation Sale (as defined below).

V. RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

27. On the Date of Appointment, the Receiver requested and received \$600,000 in borrowings (the "**Receiver's Borrowings**") from Rosejack in order to fund operations and interim expenditures such as rent and payroll. The Receiver's Borrowings are secured as against the Property by the Receiver's Borrowings Charge pursuant to the Appointment Order, which authorizes the Receiver to borrow monies not to exceed the principal amount of \$1,000,000. The Receiver issued a certificate to Rosejack for the Receiver's Borrowings.
28. Since the Date of Appointment, the Receiver's activities have included:
 - (i) taking possession and control of the Property;
 - (ii) opening new bank accounts under the Receiver's name and arranging for the Company's accounts to be frozen and all amounts to be transferred to the Receiver's accounts;
 - (iii) sending to all creditors on record the *Notice and Statement of Receiver* required under section 245(1) and 246(1) of the BIA;

- (iv) notifying the Company's employees of the Appointment Order and the provision for the termination of their employment contained therein;
- (v) attending at the Company's retail stores and the Central Office to make offers of engagement, on a term and task basis, to a majority of the Company's employees;
- (vi) attending at the Central Office and certain of the Toronto Stores on a daily basis;
- (vii) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Receiver on the toll-free telephone hotline and/or general email account established by the Receiver for these receivership proceedings;
- (viii) notifying the landlords of the Toronto Stores of the Appointment Order, arranging for the payment of occupation rent in accordance with the Appointment Order, and corresponding in respect of the Sale Guidelines;
- (ix) reviewing the Company's books and records, and specifically its accounting and financial records with respect to the Company's retail inventory;
- (x) arranging for security at certain of the Toronto Stores;
- (xi) vacating the Company's portion of the Rideau Store (which is now occupied by HRI);
- (xii) determining the amounts owed to the Company's employees as at the Date of Appointment;
- (xiii) monitoring the receipt of sale proceeds from the retail stores;
- (xiv) corresponding with the Lender and its counsel regarding the status of the receivership proceedings;
- (xv) establishing new statutory accounts with the Canada Revenue Agency for payroll and various other statutory deductions;
- (xvi) reviewing and responding to demands for repossession of goods received from suppliers, including the 30 Day Goods Claims;
- (xvii) attending before this Court in respect of the Appointment Order;
- (xviii) preparing this First Report; and
- (xix) attending to other matters pertaining to the administration of the receivership proceedings.

29. As noted above, on or about August 3, 2019, the Receiver made offers of engagement to 49 of the Retail Employees and 1 of the Central Office Employees to assist the Receiver with continuing the retail operations of the Company and realizing on the Property. In order to incentivize the Retail Employees to accept the offers of engagement, those employees were offered certain incentives, in the form of increased commissions and/or other

bonuses payable on the achievement of certain milestones. As at the date of this First Report, a majority of the Company's former employees had accepted the engagement offers (46 of the Retail Employees and 1 Central Office Employee).

30. In addition to the activities noted above, the Receiver commenced a sale of the Company's inventory and implemented the following changes effective August 3, 2019:
- (i) disabling functionality for the Company's "Preferenza" rewards program;
 - (ii) establishing a markdown strategy on the Company's on-hand inventory;
 - (iii) implementing an "all sales final" policy for all merchandise purchased on or after August 3, 2019. Returns and exchanges for merchandise purchased prior to August 3, 2019 would continue to be accepted in accordance with the Company's standard return policy; and
 - (iv) disabling functionality on the Company's website for order processing;
31. In order to inform customers of the above changes, the Receiver arranged for, among other things, (i) information to be posted on the Company's website, (ii) signs to be placed in the retail stores at the cash register and merchandise areas, and (iii) email communications to be sent to the Company's customer base.
32. As noted in the Rosen Affidavit, Davids has a high degree of operational interdependency on HRI for certain operational and back office functions, including marketing/design, loss prevention, warehousing, human resources, IT, finance/accounting, etc., all of which was provided by HRI without cost. HRI has agreed to continue to provide support to the Receiver for some or all of these functions as needed during these receivership proceedings in order to minimize disruptions to the Davids retail operations. The Receiver has agreed to reimburse HRI for any direct employee and out-of-pocket costs incurred by HRI, at cost and without markup, for any services provided to the Receiver.
33. To inform creditors and all other stakeholders, general information on these proceedings has been posted on the Receiver's website at <http://www.richter.ca/insolvencycase/davids>. As noted above, the Receiver has also established a dedicated toll-free hotline (1-877-676-4351) for general creditor inquiries, as well as a general email address (davids@richter.ca) to address specific questions or concerns from stakeholders with respect to these receivership proceedings.

VI. PROPOSED LIQUIDATION ORDER

34. Based on the Company's books and records, Davids had approximately \$11.0 million of inventory (at original retail value) on hand as at the Date of Appointment, the majority of which was located at the Toronto Stores.
35. Given the quantum of the Company's inventory and number of retail locations, the Receiver is of the view that engaging a liquidation agent or consultant to manage or assist with the Liquidation Plan is not economical in the circumstances. The Receiver has extensive experience with retail insolvencies and is well positioned to execute on the Liquidation Plan.
36. The Receiver has developed the Liquidation Plan and is seeking a Court order (the "**Liquidation Order**") authorizing it to conduct an orderly liquidation (the "**Liquidation Sale**") of the Company's inventory and FF&E. The Receiver will conduct a "store closing" or similar-themed sale at the Toronto Stores, which will commence as soon as practical after entry of the Liquidation Order and by no later than August 26, 2019 (the "**Sale Commencement Date**") and end by no later than December 2, 2019 (the "**Sale Termination Date**"). The Liquidation Sale will not be conducted at the Rideau Store, which will be vacated on or before August 16, 2019.
37. As the Liquidation Sale progresses, the Receiver may vacate certain of the Toronto Stores prior to December 2, 2019. The Liquidation Order contemplates that the Receiver shall provide to the applicable landlord not less than five (5) calendar days' prior written notice of its intention to vacate each Toronto Store which is occupied.

Sale Guidelines

38. It is contemplated that the Liquidation Sale and store closings be governed by the sale guidelines that are appended as Schedule "A" to the Liquidation Order (the "**Sale Guidelines**").
39. The Receiver's counsel sent a copy of the Sale Guidelines to the landlords (or their counsel, as applicable) well in advance of the issuance of this First Report and the hearing to approve the Liquidation Sale. The Receiver and its counsel have engaged in discussions with certain of the landlords for the Toronto Stores on the Sale Guidelines. As at the date of this First Report, no landlord has indicated that it takes issue with the proposed Sale Guidelines. In the Receiver's view, the Sale Guidelines are in a form consistent with recent Canadian retail liquidations.
40. The Sale Guidelines state, among other things, that the Liquidation Sale shall be conducted in accordance with the following terms:
 - (i) except as modified by the Sale Guidelines, and subject to the Appointment Order, the Liquidation Order or any further order of the Court, or any subsequent written agreement between the Receiver and the

applicable landlord(s), the Liquidation Sale will be conducted in accordance with the terms of the applicable leases or other occupancy agreements;

- (ii) the Liquidation Sale shall be conducted so that each of the Toronto Stores remain open during their normal hours of operation provided in their respective leases;
- (iii) the Liquidation Sale shall end by no later than the Sale Termination Date;
- (iv) all display and hanging signs used by the Company in connection with the Liquidation Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. No signs shall advertise the Liquidation Sale as a "bankruptcy", a "going out of business" or a "liquidation" sale;
- (v) subject to the terms of the Sale Guidelines and the Appointment Order, the Receiver may sell the FF&E which is located in the Toronto Stores during the Liquidation Sale and advertise the sale of the FF&E;
- (vi) at the conclusion of the Liquidation Sale in each Toronto Store, the Receiver shall arrange that the premises for each Toronto Store is in "broom-swept" and clean condition, and shall arrange for the Toronto Stores to be in the same condition as they were on the Sale Commencement Date, ordinary wear and tear excepted; and
- (vii) the Receiver, shall not conduct any auctions of inventory or FF&E at any of the Toronto Stores.

Gift Card & Merchandise Credits

- 41. Pursuant to paragraph 4 of the Appointment Order, the Receiver is authorized, until further order of the Court, to honour and accept the Gift Cards and the Merchandise Credits. The Receiver ceased issuing new Gift Cards and Merchandise Credits to customers effective August 3, 2019 but has continued to accept, in accordance with the Company's prior practices, Gift Cards and Merchandise Credits for merchandise at the Company's retail stores. As at August 8, 2019, a combined total of approximately \$10,000 had been redeemed by customers in Gift Cards and Merchandise Credits.
- 42. As noted in the Rosen Affidavit, the Lender had requested that the Receiver be authorized to continue to accept the Gift Cards and the Merchandise Credits in order to minimize the impact on the Company's customers at the onset of these proceedings. After reviewing the quantum of the Gift Cards and Merchandise Credits exposure, as well as the rate of redemptions to date, the Receiver, in consultation with the Lender, is seeking the authority of the Court to cease honouring and accepting the Gift Cards and the Merchandise Credits beyond September 30, 2019, which date would be approximately 38 days from the date of the hearing of the within motion.

43. The Receiver notes that the Lender is expected to suffer a shortfall on its secured advances to the Company and holders of the Gift Cards and the Merchandise Credits are unsecured creditors whose claims would rank behind those of the Lender.
44. Further, based upon the Receiver's experience, discontinuing the acceptance of gift cards and merchandise credits is commonplace in retail liquidations and consistent with practices observed in other recent filings. Should the Court grant the relief sought, customers will have had approximately 59 days from the Date of Appointment to redeem the Gift Cards and the Merchandise Credits as compared with market of approximately 30 days from the filing date.
45. Based on the experience of the Receiver with other retail insolvency liquidations, the Receiver is of the view that the Liquidation Plan, the Liquidation Order, including the Sale Guidelines, are consistent with the market in similar situations.

VII. RECOMMENDATION

46. Based on the foregoing, the Receiver respectfully recommends that the Court grant the Order granting the relief detailed in paragraph 3(iv) of the First Report.

All of which is respectfully submitted this 16th day of August, 2019.

Richter Advisory Group Inc.
In its capacity as Receiver and Manager of
Dauids Footwear Ltd.
and not in its personal or corporate capacity

Per:



Pritesh Patel,
MBA, CFA, CIRP, LIT
Senior Vice President

Appendix “D”

DAVIDS

Background

On August 2, 2019, by order (the “Receivership Order”) of the Ontario Superior Court of Justice (Commercial List) (the “Court”), Richter Advisory Group Inc. was appointed as receiver and manager (in such capacity, the “Receiver”) of the assets, undertakings and properties of Davids Footwear Ltd. (“Davids” or the “Company”). A copy of the Receivership Order and other Court materials filed in connection with the receivership proceeding can be obtained at the Receiver’s website: <http://www.richter.ca/insolvencycase/davids>

The Receiver is exploring a potential sale of the intellectual property assets (the “IP Assets”) of the Company, including the well-recognized “DAVIDS” trademark and trade name. The Receiver has overall supervision of the solicitation process and is contacting potential interested parties to discuss this acquisition opportunity.

Company Overview

Davids has operated as a luxury retail shoe store since 1951. The first domestic retailer to work directly with Europe’s finest fashion houses, Davids was driven by one simple pursuit: to find the most beautiful styles from the world’s top designers and bring them to the Canadian market. Davids is a well-recognized, high-end brand name that is renowned for debuting emerging international trends and designers and for maintaining deep ties with the world’s most iconic brands such as Christian Louboutin, Valentino, Manolo Blahnik, Salvatore Ferragamo, and Jimmy Choo, among others. The Company also had its own private label DAVIDS line which gained a considerable following on its own.

The Company previously operated four retail stores in Toronto and one in Ottawa, all of which were closed and vacated by the Receiver during these receivership proceedings.

Solicitation Process

The solicitation process contemplates the following general steps to conclude a transaction:

- **Parties will be required to submit a non-binding Letter of Intent (“LOI”) to the Receiver by 12pm EST on Wednesday October 16, 2019 (the “Bid Deadline”). The LOI must be sent by email to Pritesh Patel at ppatel@richter.ca**
- While there is no approved form of LOI, all LOIs are to be on an “as is where is” basis and shall remain open for a period of at least five (5) business days from the Bid Deadline. Further, the LOI must clearly indicate (i) the purchase price, (ii) any conditions to closing; and (iii) the timeline to closing.
- If an LOI is selected as the successful bid, that bidder must deliver to the Receiver a deposit equal to 10% of the purchase price contained in the LOI within two (2) business days of the Bid Deadline. A failure to deliver the required deposit within the prescribed period may result in that LOI being rejected.

TORONTO

181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago, IL 60606
312.828.0800

- Rosejack Investments Ltd (“Rosejack”), a secured creditor of Davids, has informed the Receiver that it reserves the right to present a credit bid for all or part of the IP Assets.
- The acceptability of any LOI received is to be determined by the Receiver, in consultation with any party that the Receiver, in its discretion, deems relevant, subject to any confidentiality or other restrictions considered appropriate by the Receiver.
- If an acceptable LOI is received, the Receiver will notify the successful party as quickly as possible and move forward to negotiate appropriate closing documents with the selected buyer.
- Any sale of the IP Assets will be subject to Court approval.
- The Receiver shall not be required to accept the highest or best LOI, or any LOI. The Receiver may reject any LOI for any reason.
- The Receiver reserves the right to terminate at any time further participation in the solicitation process by any party, to modify dates or procedures as it deems appropriate, or to terminate the solicitation process at any time.

If you would like to discuss any specific questions regarding this opportunity, please direct all enquiries to:

Pritesh Patel
Partner
(416) 642-9421
PPatel@Richter.ca

Adam Zeldin
Senior Associate
(416) 646-7390
AZeldin@Richter.ca

Appendix “E”

TRADEMARK PURCHASE AGREEMENT

THIS TRADEMARK PURCHASE AGREEMENT (the “**Agreement**”) is made as of the 25 day of October, 2019.

B E T W E E N:

Richter Advisory Group Inc., in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of **Dauids Footwear Ltd.**, a corporation incorporated under the laws of the Province of Ontario and having its principal place of business at 77 Bloor Street West, Toronto, Ontario (“**DFL**”), and not in its personal capacity

(hereinafter referred to as the “**Receiver**” or the “**Seller**”)

– and –

Rosejack Investments Ltd., a corporation incorporated under the laws of the Province of Ontario and having its principal place of business at 77 Bloor Street West, Toronto, Ontario.

(hereinafter referred to as the “**Buyer**”)

WHEREAS DFL is the owner of the trademarks and related rights, including the trade names, business names, and domain names identified in **Schedule A** (the “**Trademarks**”);

AND WHEREAS by order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) Richter Advisory Group Inc. was appointed as Receiver of the assets, undertakings and properties of DFL, including, without limitation, the Trademarks;

AND WHEREAS the Receivership Order authorizes the Receiver to, among other things, sell or assign the property of DFL, including, without limitation, the Trademarks;

AND WHEREAS DFL is indebted to the Buyer in the amount of \$9,039,643.73 as at July 31, 2019 (the “**DFL Indebtedness**”) under a secured demand grid promissory note dated November 6, 2017 (the “**Note**”);

AND WHEREAS, the Seller and the Buyer (hereinafter collectively referred to as the “**Parties**”, and individually as a “**Party**”) have mutually agreed that the Seller shall transfer, and the Buyer has agreed to purchase, all of DFL’s right, title, and interest in and to the Trademarks including any and all goodwill therein on the terms and subject to the conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the promises and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

- 2 -

1.1 Closing Date. Consummation of the transactions contemplated by this Agreement shall occur at the offices of Fasken Martineau DuMoulin LLP in Toronto, Ontario, on the earlier of: (i) the first business day that is eleven days after the date on which the Approval and Vesting Order (as defined below) is granted if the Approval and Vesting Order has not been appealed, set aside, varied or stayed within the applicable appeal period; (ii) if the Approval and Vesting Order has been appealed within the applicable appeal period, the business day upon which all appeals have been finally dismissed; or (iii) such other date as agreed to in writing by the Parties (the “Closing Date”).

1.2 Sale. On the Closing Date upon delivery to the Purchaser of the Receiver’s certificate, the Seller does hereby sell, convey, assign, transfer and deliver to the Buyer, and the Buyer does hereby purchase and accept from the Seller, the conveyance, assignment, transfer and delivery of all of DFL’s right, title and interest, in and to the Trademarks in each country and region throughout the world, however depicted, together with all rights in and to any applications or registration for or comprising the Trademarks, any registrations to issue from such applications, all rights to file for, obtain and maintain registrations for the Trademarks, all rights to bring proceedings and receive damages for past violation, misappropriation, or infringement by others of the Trademarks, and all goodwill in any of the foregoing, the same to be held and enjoyed by the Buyer, its successors, assigns, and other legal representatives, as fully and entirely as would have been held and enjoyed by DFL if this Agreement had not been made, all on the terms and subject to the conditions of this Agreement.

1.3 Purchase Price. The purchase price for the all of such rights, title, and interest in and to the Trademarks shall be the sum of [REDACTED] of lawful money of Canada (the “Purchase Price”), plus all applicable taxes, charges, fees, levies, penalties or other assessments of any kind whatsoever imposed by any federal, provincial, local or foreign taxing authority, including, but not limited to, income, excise, property, sales, value added, transfer, franchise, payroll, withholding, social security or other taxes, including any interest, penalties or additions relating thereto (collectively, “Taxes”), which amount of the Purchase Price (exclusive of the applicable Taxes) shall be satisfied by the Buyer providing a credit in the amount of the Purchase Price against DFL’s obligations under the Note, such that the DFL Indebtedness is permanently reduced by that amount.

1.4 Allocation of Transfer Taxes and Fees; Tax Returns. The Buyer shall pay to the Seller or as otherwise required by applicable law all Taxes and all filing fees and documentary fees related to or payable in connection with the purchase and sale (including transfer and recordal of same) of the Trademarks to the Buyer pursuant to this Agreement. The Buyer and the Seller shall use commercially reasonable efforts to minimize the amount of the foregoing Taxes and for this purpose shall reasonably cooperate in making available elections or providing any available resale exemption certificate or other similar documentation. Notwithstanding the Buyer’s liability therefor, the Party that is required by applicable law to make the filings, reports or returns and to handle any audits or controversies with respect to any of the foregoing Taxes shall do so, and the other Party shall reasonably cooperate with respect thereto as necessary. The Buyer agrees to indemnify and save the Seller fully harmless from and against all claims and demands for payment of the above-mentioned Taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure by the Buyer to pay such Taxes when due.

- 3 -

1.5 Confirmatory Assignment Agreement. At the Buyer's request, the Seller shall execute a confirmatory trademark assignment substantially in the form attached hereto as Schedule "B".

1.6 As Is Where Is. By its execution of this Agreement, the Buyer acknowledges, represents and warrants to and in favour of, and agrees with, the Seller that the Trademarks are being sold, conveyed, assigned, transferred and delivered by the Seller and purchased and accepted by the Buyer on an "as is, where is" basis, without recourse to the Seller, and the Seller makes no, and there are no, representations or warranties or conditions whatsoever, whether express, implied, statutory or otherwise, with respect to any matter or thing relating to the Trademarks. The Buyer further agrees, acknowledges and understands that it has entered into this Agreement on the basis that the Seller does not guarantee title to the Trademarks. The Buyer hereby acknowledges and confirms that it has conducted to its satisfaction its own independent investigation, analysis and evaluation of the Trademarks as it deems necessary or appropriate and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has and will rely solely on such independent investigation.

1.7 Approval and Vesting Order. Upon the execution of this Agreement, the Seller shall use all reasonable efforts to obtain an order or orders of the Court, in form and substance satisfactory to the Buyer (the "**Approval and Vesting Order**"): (i) approving this Agreement and the transactions contemplated by this Agreement and authorizing the Seller to carry out the terms hereof; and (ii) vesting in the Buyer all right, title and interest of DFL in and to the Trademarks free and clear of all liens and encumbrances, such vesting to occur upon the delivery to the Buyer of a certificate of the Seller confirming payment of the Purchase Price and that all conditions required for closing have been satisfied or waived.

1.8 Conditions to Closing. The obligations of the Seller and the Buyer on the Closing Date are subject to the following terms and conditions for the mutual benefit of the Seller and the Buyer, to be performed or fulfilled at or prior to the Closing Date:

- (a) the Court shall have entered the Approval and Vesting Order and the Approval and Vesting Order shall not have been appealed, set aside, varied or stayed within the applicable appeal period, or if the Approval and Vesting Order has been appealed within the applicable appeal period, all appeals have been finally dismissed.

1.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

1.10 Further Assurances. Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement, including, but not limited to, the same and transfer of the Trademarks.

1.11 Forum Selection. Any action or proceeding arising out of or based upon this Agreement may be brought in the courts of the province of Ontario, and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of courts in any such action or proceeding.

- 4 -

The Parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

1.12 No Personal Liability of the Receiver. The Receiver is executing this Agreement solely in its capacity as Court-appointed receiver and manager of the assets, undertakings and properties of DFL and not in its personal or corporate capacity and neither the Receiver nor its directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof.

1.13 Assigns. This Agreement and everything herein contained shall enure to the benefit of and be binding upon the executors, administrators, and assigns or successors and assigns of the Parties hereto respectively.

1.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

- 5 -

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first written above by their respective officers thereunto duly authorized.

**RICHTER ADVISORY GROUP INC., in its capacity
as Court-appointed Receiver and Manager of DAVIDS
FOOTWEAR LTD., and not in its personal or
corporate capacity**

By: 

Name: Pritesh Patel, MBA, CFA, CIRP, LIT

Title: Senior Vice President

ROSEJACK INVESTMENTS LTD.

By: 

Name:

Title:

- 6 -

Schedule A
TRADEMARKS

DAVIDS

DAVIDS FOOTWEAR

Country	Trademark	Application Number	Filing Date	Registration Number	Registration Date
Canada	DAVIDS	1402513	July 8, 2008	TMA773416	July 30, 2010

DOMAIN NAMES

www.davidsfootwear.com

TRADE NAMES / BUSINESS NAMES

Davids

Davids Footwear

- 7 -

Schedule B**CONFIRMATORY TRADEMARK ASSIGNMENT**

THIS CONFIRMATORY TRADEMARK ASSIGNMENT between **Richter Advisory Group Inc.**, in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of **Davids Footwear Ltd.**, a corporation incorporated under the laws of the Province of Ontario and having its principal place of business at 77 Bloor Street West, Toronto, Ontario (“**DFL**”), and not in its personal or corporate capacity; and Rosejack Investments Ltd., a corporation incorporated under the laws of the Province of Ontario and having its principal place of business at 77 Bloor Street West, Toronto, Ontario (the “**Purchaser**”) (each a “**Party**” and collectively, the “**Parties**”)

WHEREAS DFL was the owner of the certain trademarks; by order of the Ontario Superior Court of Justice (Commercial List) (the “**Receivership Order**”) Richter Advisory Group Inc. was appointed as Receiver of the assets, undertakings and properties of DFL, including, without limitation, the trademarks; the Receivership Order authorizes the Receiver to, among other things, sell or assign the property of DFL, including, without limitation, the trademarks; the Receiver has now assigned to the Purchaser all of DFL’s rights, title and interests in and to the trademarks including in and to the Canadian trademark registration for DAVIDS (Reg. No. TMA773416);

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the promises and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties acknowledge, agree, and confirm that all of the rights, title, and interests in and to

DAVIDS (Canadian Reg. No. TMA773416)

has been assigned, transferred and conveyed by DFL to the Purchaser, together with all goodwill therein at least as early as the date written below.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date written below by their respective officers thereunto duly authorized.

DATED November _____, 2019

ROSEJACK INVESTMENTS LTD.

RICHTER ADVISORY GROUP INC., in its capacity as Court-appointed Receiver and Manager of DAVIDS FOOTWEAR LTD., and not in its personal or corporate capacity

By: _____

Name:
Title:

By: _____

Name:
Title:

Appendix “F”



September 13, 2019

Davids Footwear Ltd.
C/O: Shane Connolly
Richter Advisory Group Inc.
3510-181 Bay St.,
Toronto ON M5J 2T3

Dear Shane Connolly:

**Subject: Proposed changes to your goods and services tax/harmonized sales tax
(GST/HST) return for the period from February 3, 2019 to August 2, 2019.
Account Number: 79287 0883 RT0001**

Davids Footwear Ltd's GST/HST returns have been selected for audit for the period noted above. Our records indicate that Davids Footwear Ltd. has had Richter Advisory Group Inc. appointed Receiver by way of Court Order dated August 2, 2019. Based on the information in that order are proposing to re-assess your returns as follows:

Period-ending	Net GST/HST Payable
August 2, 2019	\$84,956.24

Every recipient of a taxable supply made in Canada is required to pay the GST/HST payable in respect of the supply as per section 165 of the Excise Tax Act (ETA). Davids Footwear Ltd. has not paid all of the GST/HST outstanding to their suppliers as per the outstanding liabilities filed. Under paragraph 296(1)(b) of the ETA, we are proposing to assess the GST/HST payable on taxable supplies received as GST/HST has not been paid to the suppliers. The amount proposed is \$84,956.24 as calculated on Schedule A.

This assessment is based on the most current creditor's list available. If this attached creditor listing is not current or you have paid off some of your creditors please provide an updated list along with support to show that a payment has been made to resolve or lower the debt. Also, please identify which creditors have not supplied taxable supplies and are considered to be exempt.

We encourage you to ensure that all of your ITCs have been properly claimed on your returns. If you have not claimed the Input Tax Credit (ITC) for any period prior to the insolvency event you may be eligible to claim that ITC prior to the insolvency event as long as it fits all other requirements. Please note that there are different filing procedures for pre and post audit, as a result, ITCs should be claimed in the proper period.

We will hold the assessment in abeyance until **October 13, 2019**, in order for you to submit any documentation which you wish us to consider prior to (re)assessing the returns as proposed. If no documentation is received, the proposed changes will be made to your returns for the periods being examined, and a Notice of Assessment confirming the result will be sent to you.

If you are registered with My Business Account you can send this information and any accounting data through the submit documents service. Submit documents is a secure online service that allows registrants to electronically send their accounting information to the CRA. To learn how to use the submit documents service go to **canada.ca/cra-submit-documents-online**.

You will need to enter the case number **75230731** before you can successfully send the documents. If you have difficulty using the submit documents service, please contact me for assistance.

Alternatively, you can fax or mail any documents. The fax number and mailing address are listed below. If you mail any documents please include my name in the address and also include the notation "Personal and Confidential".

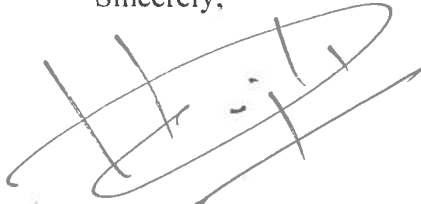
If you are not registered for My Business Account we encourage you to do so. Other than the submit documents feature, discussed above, it also allows you to view and control many other services such as filing a return or an election, and authorizing or managing representatives who can submit records on your behalf. For more details, or to register for My Business Account, go to **canada.ca/my-cra-business-account**, or telephone **1-800-959-5525**.

For general information on examinations please read our pamphlet RC4188, *What You Should Know About Audits*. To help you understand your rights as a taxpayer, we recommend that you read Guide RC17, *Taxpayer Bill of Rights*. These documents can be found by searching their titles at **canada.ca**.

You are reminded that under Section 286 of the *Excise Tax Act* (ETA) every person who carries on a business or is engaged in a commercial activity in Canada is required to keep records containing information to enable the determination of the person's liabilities and obligations under the ETA. Subsection 288(1) of the ETA allows authorized officers of the Canada Revenue Agency to inspect, audit, and examine the records.

If you have any questions or concerns during the course of the review, please call me at 587-489-2326 alternatively you can call toll free 1-800-992-0562 ext. 587-489-2326. My team leader, John Harris, may also be reached at 587-489-2021.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Harinder Aujla', is written over a large, loopy oval shape.

Harinder Aujla
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: 10 - 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: **canada.ca**
Toll free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Schedule A**For the period-ending August 2, 2019**

Total amount unsecured creditors	\$	1,422,085.30
Deduct: Non-taxable supplies		
Amina Muaddi	-\$	19,661.03
Aquazzura Italia	-\$	99,091.37
Attilion Giusti	-\$	65,330.25
Bl.Gl. Shoes	-\$	45,976.43
Calz Artigina	-\$	34,124.46
Calzaturificio Casadei	-\$	14,665.44
Christian Louboulin	-\$	72,222.81
Danse Lante	-\$	1,537.41
Fifth Theory LLC	-\$	90.59
General Dynamic	-\$	38.68
Golden Goose	-\$	44,851.04
JP Morgan	-\$	2,314.38
Malone Souliers	-\$	81,018.81
Manolo Blahnik USA	-\$	178,846.34
Reike Nen	-\$	4,073.83
Rene Caovilla	-\$	14,539.14
Yuzefi Limited	-\$	3,027.17
Manulife Fianacial	-\$	462.90
Workplace Safety	-\$	1,747.45
Total taxable Amount	\$	738,465.77
GST/HST Embedded in the taxable amount		
(Total amount*13/113)	\$	84,956.24

Appendix “G”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF ADAM ZELDIN
(sworn October 25, 2019)

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


1. I am a Senior Associate at Richter Advisory Group Inc. ("**Richter**"), and, 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. By order (the "**Appointment Order**") of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 2, 2019, Richter Advisory Group Inc. ("**Richter**") was appointed receiver and manager (the "**Receiver**") without security, of the assets, undertakings and properties of Davids Footwear Ltd. (the "**Company**"), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C.43, as amended.
3. Pursuant to the Appointment Order, the Receiver has provided services and incurred disbursements, in the amount of \$437,348.25 and \$2,824.99 (all excluding HST), respectively, in the period from June 13, 2019 to October 11, 2019 (the "**Period**"). Richter was previously retained by the Company to act as a financial advisor to the Company to assist with assessing strategic options. Attached hereto and marked as Exhibit "**A**" to this my Affidavit is a summary of all invoices rendered by the Receiver on a periodic basis during the Period (the "**Accounts**").
4. True copies of the Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Receiver, are attached as Exhibit "**B**" to this my Affidavit.
5. Richter, in its capacity as Receiver, has previously filed one report with the Court (the "**First Report**"). In addition, and contemporaneously with the filing of this Affidavit, the Receiver is filing its second report to the Court (the

"Second Report"). Details of the activities undertaken and services provided by the Receiver in connection with the administration of the receivership proceedings are described in the First Report and the Second Report.

6. In the course of performing its duties pursuant to the Appointment Order, the Receiver's staff has expended a total of 1,048.60 hours during the Period. Attached as Exhibit "C" to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the receivership and the hours and applicable rates claimed by the Receiver for the Period. The average hourly rate billed by the Receiver during the Period is \$417.08.
7. The Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$440,173.24 (excluding HST) for services rendered and recorded during the Period.
8. Fasken Martineau DuMoulin LLP ("**Fasken**"), as independent legal counsel to the Receiver, has also rendered services and incurred disbursements throughout these proceedings in a manner consistent with the instructions of the Receiver and have prepared an affidavit with respect to the services rendered for the period from July 27, 2019 to October 23, 2019. The Receiver has reviewed the invoices rendered by Fasken during this period and is satisfied that their activities were consistent with the instructions of the Receiver.
9. The Receiver's and Fasken's fees and disbursements for the periods from and after October 12, 2019 and October 24, 2019, respectively, to the completion of all work relating to the Company's receivership proceedings will be calculated and billed at the standard rates currently in effect. Barring any delays, disputes or unforeseen circumstances in connection with this matter and taking into account the remaining work to be done in connection with this matter, I estimate that those fees and disbursements will not exceed \$120,000 (excluding applicable taxes) (the "**Remaining Fees and Disbursements**"), as follows:
 - a) Richter - \$100,000; and
 - b) Fasken - \$20,000.
10. The above estimates take into consideration the reasonable professional and legal fees required to complete all work relating to the Company's receivership proceedings up to the effective date of the Receiver's discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Receiver is authorized to pay those excess fees with either (i) the consent of Rosejack Investments Ltd., the Company's secured creditor or (ii) pursuant to further Order of the Court.

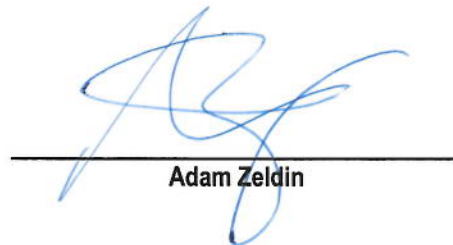
11. To the best of my knowledge, the rates charged by the Receiver and Fasken are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
12. I verily believe that the fees and disbursements incurred by the Receiver and Fasken are fair and reasonable in the circumstances.
13. 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 Receiver and Fasken and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in
the Province of Ontario, on October 25, 2019.



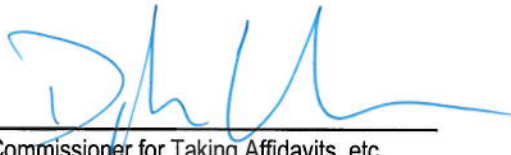
Commissioner for taking affidavits

Dykh Chachk



Adam Zeldin

This is Exhibit "A" referred to in the Affidavit of
Adam Zeldin, sworn before me on
October 25, 2019



Dylan Chock


Commissioner for Taking Affidavits, etc.

Richter Advisory Group Inc.
in its capacity as Receiver and Manager of
Davids Footwear Ltd.
Statement of accounts

Exhibit A

Invoice #	Period	Fees	Disbursements	Sub total	HST	Total
20404389	June 13, 2019 to August 1, 2019	\$ 102,421.25	\$ -	\$ 102,421.25	\$ 13,314.76	\$ 115,736.01
20404446	August 2, 2019 to August 16, 2019	\$ 126,511.50	\$ -	\$ 126,511.50	\$ 16,446.50	\$ 142,958.00
20404465	August 17, 2019 to September 6, 2019	\$ 85,463.75	\$ 2,665.89	\$ 88,129.64	\$ 11,456.85	\$ 99,586.49
20404491	September 7, 2019 to September 20, 2019	\$ 54,016.50	\$ -	\$ 54,016.50	\$ 7,022.15	\$ 61,038.65
20404583	September 21, 2019 to October 11, 2019	\$ 68,935.25	\$ 159.10	\$ 69,094.35	\$ 8,982.27	\$ 78,076.62
Total		\$ 437,348.25	\$ 2,824.99	\$ 440,173.24	\$ 57,222.52	\$ 497,395.76

This is Exhibit "B" referred to in the Affidavit of
Adam Zeldin, sworn before me on
October 25, 2019



Commissioner for Taking Affidavits, etc.
Dyken Chochla

RICHTER

Attn. Mr. Conrad Frejlich

Davids Footwear Ltd.
77 Bloor Street West, Suite 500
Toronto, ON M5S 1M2

Date: 08/23/2019
Invoice No.: 20404389
Engagement No.: 2021626
Payment Terms: Due on Receipt

Professional services rendered to August 1, 2019 \$ 102,421.25

Sub-Total		102,421.25
GST/HST #885435842 RT0001		13,314.76
Total Due	CAD	\$ 115,736.01

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.489.2345

MONTREAL

1931 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER CA

Invoice No.: 20404389
Date: 08/23/2019

Fees

Name	Hours	Rate	Amount
Adam Sherman	38.20	\$ 725.00	\$ 27,695.00
Adam Zeldin	90.85	375.00	34,068.75
Carol O'Donnell	2.00	250.00	500.00
Pritesh Patel	51.95	725.00	37,663.75
Shane Connolly	8.75	285.00	2,493.75
	191.75		\$ 102,421.25

Invoice No.: 20404389
Date: 08/23/2019

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
06/13/2019	Adam Sherman Meeting with BLG and Davids team re various matters, including proposed next steps. Discussion with BLG. Prepare draft engagement letter.	2.00	\$ 725.00	\$ 1,450.00
06/14/2019	Adam Sherman Update draft engagement letter, including email to C. Frejlich re same. Email from L. Rosen re comments on draft engagement letter. Further update/finalize engagement letter, including emails re same. Emails with BLG.	0.70	725.00	507.50
06/19/2019	Adam Sherman Emails with C. Frejlich re engagement letter and next steps. Discussions with Richter team. Time from prior meeting with Davids team/BLG (May 30 - 1.5 hrs).	2.00	725.00	1,450.00
06/20/2019	Adam Sherman Emails/call with R. Jaipargas re proposed timeline/next steps.	0.20	725.00	145.00
06/21/2019	Adam Sherman Email to C. Frejlich re proposed timing/next steps. Call with Conrad/Dennis re draft cash flows, etc.	0.80	725.00	580.00
06/26/2019	Adam Sherman Email from Davids attaching draft cash flow and supporting schedule. Discussion with Dennis/Conrad on draft cash flow. Preliminary review of draft cash flow/assumptions. Emails/discussions with Richter team.	3.00	725.00	2,175.00
06/26/2019	Pritesh Patel Review cash flow model and discussions with A. Zeldin on same. Call with client to walk through model and supporting working papers.	1.00	725.00	725.00
06/26/2019	Adam Zeldin Review/update cash flow forecast and supporting schedules, discuss same with Richter team. Attend call/kick-off meeting with Richter team and the Company.	4.00	375.00	1,500.00
06/27/2019	Adam Zeldin Prepare cash flow model.	3.50	375.00	1,312.50
06/28/2019	Adam Sherman Discussion with R. Jaipargas re consignment goods and other matters. Discussion with Richter team.	0.50	725.00	362.50
06/28/2019	Pritesh Patel Review of revised model from A. Zeldin and call to discuss same.	0.75	725.00	543.75

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
06/28/2019	Adam Zeldin Call with P. Patel re cash flow model.	0.50	375.00	187.50
07/02/2019	Adam Zeldin Discuss first draft of cash flow model with P. Patel, make updates to same.	2.60	375.00	975.00
07/03/2019	Pritesh Patel Review of updated cash flow forecast and discussion with A. Zeldin on same.	0.50	725.00	362.50
07/03/2019	Adam Zeldin Continue to update cash flow forecast model. Discuss same with P. Patel.	3.40	375.00	1,275.00
07/04/2019	Adam Sherman Emails with Richter team re various matters.	0.20	725.00	145.00
07/04/2019	Adam Zeldin Prepare updates to cash flow forecast model, discuss same with P. Patel.	2.10	375.00	787.50
07/05/2019	Pritesh Patel Call with Company to review cash flow.	1.00	725.00	725.00
07/05/2019	Adam Zeldin Review/update cash flow model. Call with D. Ognibene/C. Frejlich/Richter team re same.	2.50	375.00	937.50
07/07/2019	Adam Sherman Emails/call with R. Jaipargas re various matters.	0.50	725.00	362.50
07/08/2019	Pritesh Patel Meeting with client with walk through cash flow model and discuss outstanding items. Review of updated model with A. Zeldin.	1.00	725.00	725.00
07/08/2019	Adam Zeldin Review/update cash flow model. Attend meeting with P. Patel/D. Ognibene/C. Frejlich at Company's office to discuss amendments to the cash flow model. Review supporting financial information provided by the Company in connection with cash flow model.	4.00	375.00	1,500.00
07/09/2019	Pritesh Patel Call with D. Ognibene to review and discuss forecast. Discussion with A. Zeldin re inventory roll-forward and review of information received from client.	0.50	725.00	362.50
07/09/2019	Adam Zeldin Review/update cash flow model, discuss same with Richter team. Correspond with D. Ognibene re various matters in connection with the cash flow model.	4.00	375.00	1,500.00
07/10/2019	Adam Zeldin	2.00	375.00	750.00

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
	Review/update cash flow model, discuss same with Richter team. Emails/calls with D. Ognibene re updates to cash flow and related matters.			
07/11/2019	Adam Sherman Discussions with Richter team re status of cash flow/review/etc., including meeting to review draft report and provide comments.	1.50	725.00	1,087.50
07/11/2019	Pritesh Patel Review of draft report and discussion with Richter team on same.	0.50	725.00	362.50
07/11/2019	Adam Zeldin Prepare draft report, discuss same with Richter team. Correspond with D. Ognibene re inventory and other cash flow matters.	4.50	375.00	1,687.50
07/12/2019	Adam Sherman Discussions with Richter team re various matters, including draft report. Discussions with R. Jaipargas.	1.00	725.00	725.00
07/12/2019	Pritesh Patel Edits to financial results and CF sections of draft report and discussion with A. Zeldin on same.	1.00	725.00	725.00
07/12/2019	Adam Zeldin Review/update draft report, discuss same with Richter team. Correspond with C. Frejlich re various matters in connection with the draft report and to obtain supporting financial information.	3.80	375.00	1,425.00
07/15/2019	Adam Sherman Emails/discussions with Richter team. Calls with R. Jaipargas. Review, revise and provide comments on draft report.	3.50	725.00	2,537.50
07/15/2019	Pritesh Patel Review and edits to draft report, review of CF forecast and scenarios analysis, and discussions with A. Zeldin on same. Discussion with A. Sherman re draft report and next steps.	3.50	725.00	2,537.50
07/15/2019	Adam Zeldin Review/update draft report and schedules, discuss same with Richter team.	5.00	375.00	1,875.00
07/16/2019	Adam Sherman Emails/discussions with Richter team. Review, revise and finalize report. Calls with R. Jaipargas. Meeting with Company and BLG to deliver report and discuss options/next steps.	5.00	725.00	3,625.00
07/16/2019	Pritesh Patel	2.50	725.00	1,812.50

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
	Edits to updated draft report and work with Richter team to finalize same. Attendance at meeting with client and BLG.			
07/16/2019	Adam Zeldin Review/update/finalize report. Discuss same with Richter team. Attend meeting with BLG/Company to discuss report and next steps. Prepare information request list.	3.50	375.00	1,312.50
07/17/2019	Adam Sherman Emails/discussions with Richter team re info requests, next steps. Call with L. Rosen. Calls/emails with R. Jaipargas.	1.00	725.00	725.00
07/17/2019	Pritesh Patel Preparation of information request list and discussion with A. Zeldin on same. Review comments from BLG and updates to info request list. Finalize and circulate to client.	1.20	725.00	870.00
07/17/2019	Adam Zeldin Review updated information request list and discuss same with P. Patel. Update receivership timeline tracker.	2.00	375.00	750.00
07/18/2019	Adam Sherman Discussions with L. Rosen re various matters. Email to L. Rosen. Discussions with R. Jaipargas.	0.80	725.00	580.00
07/18/2019	Adam Zeldin Update receivership timeline tracker.	0.50	375.00	187.50
07/19/2019	Pritesh Patel Meeting at client offices to review information request list and discuss next steps.	3.00	725.00	2,175.00
07/19/2019	Adam Zeldin Review/update receivership timeline tracker, discuss same with P. Patel. Meeting with C. Frejlich/D. Ognibene/P. Patel to deal with preliminary filing matters and to review the information request list.	3.50	375.00	1,312.50
07/22/2019	Adam Zeldin Set up data room, correspond with D. Ognibene/P. Patel re same. Review inventory by store report provided by Company. Email to C. Frejlich/D. Ognibene.	1.70	375.00	637.50
07/23/2019	Adam Sherman Emails/call with R. Jaipargas re various matters. Discussions with Richter team. Call/email with S. Brotman of Fasken.	1.00	725.00	725.00
07/23/2019	Pritesh Patel Review of inventory by store analysis and discussion with A. Zeldin on same. Discussion with Richter team re status of information requests and next steps.	1.50	725.00	1,087.50

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
07/23/2019	Adam Zeldin Prepare draft daily inventory and sales reports, discuss same with P. Patel. Prepare inventory by store schedule, discuss same with P. Patel.	2.10	375.00	787.50
07/24/2019	Adam Sherman Emails with S. Brotman. Discussions with Richter team. Calls with BLG/Fasken. Email from BLG attaching Rosejack security docs. Email from BLG attaching draft appointment order/form of consent.	1.50	725.00	1,087.50
07/24/2019	Pritesh Patel Meeting with Conrad and Dennis to review information requests and discuss next steps. Call with A. Zeldin re inventory roll and sale multiplier.	3.50	725.00	2,537.50
07/24/2019	Adam Zeldin Meeting at Davids. Review information uploaded to data room. Update information tracker. Meeting with P. Patel re information tracker, next steps.	3.40	375.00	1,275.00
07/25/2019	Adam Sherman Call with R. Jaipargas re various matters, including subsequent email from R. Jaipargas re same. Discussions with Richter team.	1.00	725.00	725.00
07/25/2019	Pritesh Patel Review of inventory data from Company and discussions with A. Zeldin re analysis. Discussions with Richter team re day 1 planning. Call with BLG re outstanding issues.	3.00	725.00	2,175.00
07/25/2019	Adam Zeldin Review/update/format inventory by store reports, discuss same with P. Patel. Correspond with C. Frejlich/D. Ognibene re employee info. Review FY18 sales by store.	2.60	375.00	975.00
07/26/2019	Adam Sherman Emails with Faksen re retainer letter. Discussions with Richter team.	0.50	725.00	362.50
07/26/2019	Pritesh Patel Review of revised inventory by store analysis and discussion with A. Zeldin on same. Meeting with Conrad and team to review information requests and discuss potential operational issues and next steps.	4.00	725.00	2,900.00
07/26/2019	Adam Zeldin Meeting with Company re several matters in connection with receivership filing. Update information tracker. Review employee related information. Review/update receivership cash flow.	4.00	375.00	1,500.00

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
07/27/2019	Pritesh Patel Call with BLG re timelines and sale guidelines.	0.50	725.00	362.50
07/28/2019	Adam Sherman Emails with P. Patel, R. Jaipargas and S. Brotman. Call with R. Jaipargas and S. Brotman. Discussion with P. Patel.	1.00	725.00	725.00
07/28/2019	Pritesh Patel Review of CF and call with A. Zeldin on same. Call with BLG and Fasken to discuss timelines, appointment issues and next steps.	1.50	725.00	1,087.50
07/29/2019	Adam Sherman Emails/calls with R. Jaipargas re update and timing for next steps. Meetings/discussions with Richter team re various matters. Call with S. Brotman. Call with the Company/BLG re various matters.	2.50	725.00	1,812.50
07/29/2019	Pritesh Patel Call with Conrad and Jeff to discuss markdown strategy. Call with Fasken to discuss employment issues, security review, etc. Review of receivership CF, discussion with A. Zeldin on same. Call with HR team to discuss timing of filing, operational issues.	3.00	725.00	2,175.00
07/29/2019	Adam Zeldin Review/update receivership cash flow, review several financial and other documents in connection with same, discuss same with P. Patel. Call with Richter team/Fasken. Call with Davids/BLG/Richter team.	4.80	375.00	1,800.00
07/30/2019	Adam Sherman Emails/calls with R. Jaipargas. Meetings/discussions with Richter team re various matters. Calls with S. Brotman. Call with the Company/BLG re various matters. Review/comment on affidavit and order, including emails with BLG/Fasken.	3.00	725.00	2,175.00
07/30/2019	Pritesh Patel Review and comment on draft order. Review of draft affidavit. Review and edits to Store Notes for employee meetings, incentive letters, Final Sale signage for stores. Discussion with Richter team on day 1 planning. Review of receivership cash flow.	4.00	725.00	2,900.00
07/30/2019	Adam Zeldin Prepare list of outstanding items and call with C. Frejlich/D. Ognibene/P. Patel re same. Review/update latest inventory by store report. Review/update employee/org charts.	2.40	375.00	900.00
07/30/2019	Adam Zeldin	1.60	375.00	600.00

Invoice No.: 20404389
 Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
	Update store signage documents. Review Company banking information, including cash management procedures. Correspond with Richter team re banking matters. Draft "Store Notes" for use by managers/employees during receivership.			
07/31/2019	Carol O'Donnell Prepare letter for bank re receivership.	0.80	250.00	200.00
07/31/2019	Adam Sherman Update and sign consent letter, including email with BLG. Emails/calls with BLG re timing of application, funding, etc. Emails/calls with Fasken re various matters. Emails/discussions with Richter team.	3.50	725.00	2,537.50
07/31/2019	Pritesh Patel Attendance at client office to review and discuss day 1 plan, employee & operational issues, outstanding financial information, etc. Drafting of termination letter and circulate to Fasken for comments. Calls with Fasken, BLG re employee considerations.	6.50	725.00	4,712.50
07/31/2019	Adam Zeldin Meeting at Davids with C. Frejlich/M. Maciel/C. Adeluca re first day and ongoing operational matters. Prepare scripts (website, employee). Draft outline/agenda for manager meeting.	8.00	375.00	3,000.00
07/31/2019	Shane Connolly Prepare organizational charts by store and discussion with A. Zeldin re same. Multiple meetings with P. Patel and A. Zeldin re case plan and employee matters.	1.75	285.00	498.75
08/01/2019	Carol O'Donnell Finalize letter for HSBC. Arrange for email and 1-800 # to be opened. Misc. administration.	1.20	250.00	300.00
08/01/2019	Adam Sherman Emails from BLG/Fasken re appointment order, employee letters, etc. Emails with Richter team. Call with R. Jalpargas re various matters.	1.50	725.00	1,087.50
08/01/2019	Pritesh Patel Call with client to plan for Friday manager meeting. Numerous calls with Fasken, BLG, and client re employee issues. Review/edits to employment offers, calls with Fasken on same. Discussions with Richter team on day 1 planning. Call with R. Markowitz.	8.00	725.00	5,800.00
08/01/2019	Adam Zeldin	5.60	375.00	2,100.00

Invoice No.: 20404389
Date: 08/23/2019

Date	Name and Description	Hours	Rate	Amount
	Call with C. Frejlich/D. Ognibene/P. Patel re several receivership planning matters. Draft script for next day manager call, discuss same with P. Patel. Richter team planning meeting. Review/update store notes, discuss same with P. Patel.			
08/01/2019	Adam Zeldin Review/update term/task letters for employees, discuss same with Fasken/P. Patel. Coordinate mail merge with Richter team/S. Connolly. Draft scripts for auto email responses re customer/vendor enquiries. Prepare termination letters for certain employees.	2.50	375.00	937.50
08/01/2019	Adam Zeldin Review/comment on bank letters, discuss same with Richter team.	0.75	375.00	281.25
08/01/2019	Shane Connolly Prepare letters re offers of employment including discussions with P. Patel, A. Sherman and Company re same. Calls with Company re case plan and various operational matters.	7.00	285.00	1,995.00
Fees Total		191.75		\$ 102,421.25

Invoice No.: 20404389
Date: 08/23/2019

Remittance Form

Attn. Mr. Conrad Freijich

Davids Footwear Ltd.
77 Bloor Street West, Suite 500
Toronto, ON M5S 1M2

Invoice Summary

Sub-Total		\$ 102,421.25
GST/HST #885435842 RT0001		13,314.76
Total Due	CAD	\$ 115,736.01

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
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 3510, 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., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTREAL

1951 McGill College
Montréal QC H3A 0G8
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER.CA

RICHTER

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Date: 09/11/2019
Invoice No.: 20404446
Engagement No.: 2021652
Payment Terms: Due on Receipt

Professional services rendered in connection with the receivership of Davids Footwear Ltd. for the period ending in August 16, 2019. \$ 126,511.50

Sub-Total		126,511.50
GST/HST #885435842 RT0001		16,446.50
Total Due	CAD	\$ 142,958.00

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTREAL

1991 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0900

RICHTER CA

Invoice No.: 20404446
Date: 09/11/2019

Fees

Name	Hours	Rate	Amount
Adam Sherman	2.00	\$ 725.00	\$ 1,450.00
Adam Zeldin	72.60	375.00	27,225.00
Carol O'Donnell	2.20	250.00	550.00
Geneviève Brousseau	24.50	170.00	4,165.00
Ken Le	17.45	250.00	4,362.50
Kristina Ho	1.00	285.00	285.00
Manpreet Kaur Bains	3.25	150.00	487.50
Nicole Fournier	2.50	105.00	262.50
Pascale Lareau	0.90	185.00	166.50
Patrick Lareau	0.75	375.00	281.25
Pritesh Patel	84.50	725.00	61,262.50
Shane Connolly	91.00	285.00	25,935.00
Vicky Coupal	0.75	105.00	78.75
	303.40		\$ 126,511.50

Invoice No.: 20404446
 Date: 09/11/2019

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
08/02/2019	Carol O'Donnell Prepare deposit. Misc. administration. Prepare website.	2.20	\$ 250.00	\$ 550.00
08/02/2019	Nicole Fournier Prepare term/task letters for advisors, shippers, cashiers and managers.	2.50	105.00	262.50
08/02/2019	Adam Sherman Email from BLG attaching appointment order. Emails from BLG/Fasken re revised employee letter, landlord letter and other matters. Emails from OSB re receivership appointment. Emails with Richter team.	2.00	725.00	1,450.00
08/02/2019	Pritesh Patel Prep and attendance in Court re Order. Calls with client re benefits. Review of updated drafts of termination, retention letters. Attendance on call with store managers to discuss appointment. Attending to various day 1 matters. Calls with Richter team.	8.00	725.00	5,800.00
08/02/2019	Adam Zeldin Review/update term/task letters. Coordinate mail merge with Richter team. Richter team planning meeting re several first day issues, including attending at each retail location to meet with employees.	4.00	375.00	1,500.00
08/02/2019	Adam Zeldin Review correspondence with Richter team/HSBC re Davids bank accounts. Correspond with L. Rosen re ecommerce transaction matters and updating website. Emails to each store manager re employee meetings with receiver.	1.10	375.00	412.50
08/02/2019	Adam Zeldin Attend on store manager conference call. Attend at Bloor store to meet manager and discuss next steps. Correspond with C. Frejlich re first day matters.	1.60	375.00	600.00
08/02/2019	Shane Connolly Prepare letters of employment. Travel to Ottawa to meet with staff in the Rideau store and inform them of the receivership and all relevant matters. Call with head office and all store managers. Various first day matters.	12.00	285.00	3,420.00
08/03/2019	Pritesh Patel Attendance at Sherway store for employee meetings and direction. Numerous calls with Richter team on employee issues, store staffing, status, etc. Numerous calls and emails with Central Office team on employee issues, store staffing, status, etc.	6.00	725.00	4,350.00

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
08/03/2019	Adam Zeldin Attend at Bloor retail location to meet with employees re receivership and to present/discuss engagement offers. Correspond with Richter team re various matters.	4.00	375.00	1,500.00
08/03/2019	Shane Connolly Attend at Bayview store re employee meetings. Discussions with P. Patel/A. Zeldin re various matters. Communication with Rideau/Bayview store managers re various issues/matters.	6.50	285.00	1,852.50
08/04/2019	Pritesh Patel Calls and correspondence with C. Adeluca on store staffing and operational/employee issues. Calls and correspondence with Richter team. Review of daily sales report for 8/3.	1.50	725.00	1,087.50
08/04/2019	Adam Zeldin Attend at Bloor retail location to open store and meet with employees re various matters. Correspond with Richter team.	2.00	375.00	750.00
08/04/2019	Shane Connolly Communication with Bayview/Rideau store managers re various issues. Discussions with Richter team.	0.75	285.00	213.75
08/05/2019	Patrick Lareau Communications re payroll for receiver. Call with ADP.	0.50	375.00	187.50
08/05/2019	Ken Le Prepare deposit. Various banking matters.	0.10	250.00	25.00
08/05/2019	Ken Le Fax receivership documents to Office of the Superintendent of Bankruptcy; post documents on website.	1.30	250.00	325.00
08/05/2019	Pritesh Patel Calls and correspondence with C. Adeuca on store staffing and operational/employee issues. Calls and correspondence with Richter team. Update call with BLG.	2.00	725.00	1,450.00
08/05/2019	Adam Zeldin Attend at Bloor retail location, including meetings with certain former employees.	1.00	375.00	375.00
08/06/2019	Ken Le Call with Robert Sanchez at Scotiabank.	0.30	250.00	75.00
08/06/2019	Geneviève Brousseau Set up receiver payroll.	4.00	170.00	680.00
08/06/2019	Pritesh Patel	6.50	725.00	4,712.50

Invoice No.: 20404446
 Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
	Calls and correspondence with Central Office team re store sales, inventory management, promotions, employees, etc. Call with Faskens re landlords. Numerous calls and correspondence with Richter team. Draft First Report. Correspondence with HSBC.			
08/06/2019	Adam Zeldin Attend at Davids office, including meeting with HRI team/C. Adeluca. Correspond extensively with C. Frejlich/Richter team re several matters (signage, payroll, 245 notice, landlord issues, creditors, sales, store issues etc.).	2.40	375.00	900.00
08/06/2019	Adam Zeldin Attend at Bloor retail location for status update meeting and to meet with certain employees. Prepare rent cheque requisitions, discuss same with P. Patel/C. Frejlich.	2.00	375.00	750.00
08/06/2019	Adam Zeldin Calls with former employees re various matters. Correspond with C. Adeluca re several operational matters. Correspond with Davids' payroll clerk re several payroll matters.	2.10	375.00	787.50
08/06/2019	Shane Connolly Correspondence with former employees re o/s wages, o/s vacation pay and issues that arose in stores. Respond to numerous customer and supplier queries. Draft termination notice for former employees.	3.50	285.00	997.50
08/06/2019	Shane Connolly Correspondence with suppliers re o/s orders and claims. Correspondence with Valentino re product mark-downs and demand notice. Discussions with PP/TK re Rideau store closing date.	3.50	285.00	997.50
08/06/2019	Shane Connolly Discussions with P. Patel, A. Zeldin, K. Le re payroll. Draft correspondence to landlords re August rent. Discussions with P. Patel/A. Zeldin re rent.	3.00	285.00	855.00
08/07/2019	Patrick Lareau Communication with P. Patel re payroll.	0.25	375.00	93.75
08/07/2019	Ken Le Issue cheques. Discussion with S. Connolly. Email communication and calls with Scotiabank and HSBC. Discussion with P. Patel. Prepare Estate Information Summary form.	1.85	250.00	462.50
08/07/2019	Geneviève Brousseau Communications re various payroll matters.	3.00	170.00	510.00

Invoice No.: 20404446
 Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
08/07/2019	Pritesh Patel Continue drafting First Report. Review and approval of disbursement request. Call with Valentino. Review and comment on Sale Guidelines. Numerous calls with Central Office and Richter teams re store operational issues.	6.50	725.00	4,712.50
08/07/2019	Adam Zeldin Review daily sales summary. Correspond with Richter team re several issues (rent, 245 notice, creditor enquiries, sales, inventory levels, store operations, etc.). Prepare term/task offer letter for shipper/receiver, discuss same with C. Adeluca.	2.30	375.00	862.50
08/07/2019	Adam Zeldin Complete EIS, discuss same with P. Patel. Correspond with C. Adeluca re operations matters. Correspond with C. Frejlich re various administrative/operations matters. Correspond with S. Meier re inventory management issues, creditor/supplier enquiries.	2.80	375.00	1,050.00
08/07/2019	Adam Zeldin Correspond with payroll clerk re payroll matters. Call with former employee re status of employment. Review/update aged inventory schedule. Correspond with counsel to Valentino re demand for repossession of goods, discuss same with P. Patel.	2.60	375.00	975.00
08/07/2019	Shane Connolly Issue cheques to landlords re August rent. Correspondence with employees re o/s wages, o/s vacation pay and other matters. Respond to numerous customer and supplier queries.	3.00	285.00	855.00
08/07/2019	Shane Connolly Discussions with store managers and Richter team re staffing. Call with Valentino re demand notice, discounted goods and potential bulk purchase of inventory. Review notice of demand and supporting invoices re Valentino.	3.00	285.00	855.00
08/07/2019	Shane Connolly Draft Notice and Statement of Receiver. Discussions with P. Patel/A. Zeldin re same. Correspondence with Malone Souliers re demand notice. Discussions with P. Patel/ A. Zeldin re various matters.	2.00	285.00	570.00
08/08/2019	Ken Le	2.75	250.00	687.50

Invoice No.: 20404446
 Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
	Update info in Ascend and prepare Estate Information Summary. Calls with Scotia and HSBC. Emails with P. Patel and S. Connolly. Call with WSIB. Miscellaneous administration.			
08/08/2019	Geneviève Brousseau Various matters re payroll.	3.50	170.00	595.00
08/08/2019	Pritesh Patel Review of demand from Milberg and discussion with Central Office team, Richter team on same. Review and comment on s.245 notice. Numerous calls with Central Office and Richter teams re store operational issues. Continue drafting First Report.	9.00	725.00	6,525.00
08/08/2019	Adam Zeldin Review daily sales. Update daily sales tracker. Respond to creditor/employee enquiries. Attend at Bloor retail store. Meeting and correspondence with A. Jaffar re cash management matters, creditors, other matters. Review MOP reports for August 2-6, 2019.	4.20	375.00	1,575.00
08/08/2019	Adam Zeldin Correspond with Richter team re several matters (sales, inventory, 245 notice, creditor enquiries, demands for repossession etc.). Review creditor list for 245 notice, discuss same with S. Connolly.	0.90	375.00	337.50
08/08/2019	Adam Zeldin Attend at Yorkdale store to provide/discuss term/task offer letter with floor advisor, discuss same and other matters with C. Adeluca. Correspond with Richter team/payroll clerk re payroll matters.	2.40	375.00	900.00
08/08/2019	Adam Zeldin Review comments from employee re term/task letter, discuss same with P. Patel.	0.50	375.00	187.50
08/08/2019	Shane Connolly Respond to numerous customer and supplier queries. Draft creditor listing for mailing, discussions with A. Zeldin re same. Draft Notice and Statement of Receiver, discussions with P. Patel/A. Zeldin re same.	3.50	285.00	997.50
08/08/2019	Shane Connolly Draft termination letters/correspondence with former employees re same. Correspondence with creditors. Update employee schedule re payroll.	3.50	285.00	997.50
08/08/2019	Shane Connolly Review/update o/s vacation pay schedule. Discussions with P. Patel/A. Zeldin re various matters.	3.50	285.00	997.50

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
08/08/2019	Shane Connolly Correspondence with Valentino re demand notice.	0.50	285.00	142.50
08/09/2019	Pascale Lareau Call with CRA. Various matters re creditor mailing.	0.90	185.00	166.50
08/09/2019	Ken Le Prepare creditor list and supplementary list for mailing. Emails and calls with S. Connolly. Calls with Bank of Montreal and HSBC.	3.75	250.00	937.50
08/09/2019	Vicky Coupal Various matters re creditor mailing.	0.50	105.00	52.50
08/09/2019	Geneviève Brousseau Various matters re payroll.	1.50	170.00	255.00
08/09/2019	Pritesh Patel Call with Valentino re demand, review of inventory data and calls on same. Comments on draft Order. Numerous calls with Central Office and Richter teams re operational matters. Updates to First Report based on internal review. Review of info from Milberg.	7.50	725.00	5,437.50
08/09/2019	Adam Zeldin Review daily sales, update daily sales tracker. Review/comment on First Report. Correspond with S. Meier re inventory matters (30-day goods). Correspond with C. Adeluca/certain employees re scheduling.	3.30	375.00	1,237.50
08/09/2019	Adam Zeldin Correspond with Richter team/payroll clerk re payroll matters. Correspond with S. Connolly/P. Patel re 245 notice, inventory, employees, operations etc. Correspond with former employee re termination of employment/ receivership matters.	1.80	375.00	675.00
08/09/2019	Adam Zeldin Correspond with HRI personnel re several matters (cash management, payroll, sales, including adjustments thereto, employee matters, etc.). Review/update term/task letter for central office employee, discuss same with C. Frejlich/P. Patel.	1.20	375.00	450.00
08/09/2019	Shane Connolly Monitor Davids' e-mail account and respond to numerous customer and supplier queries. Finalize creditor list. Finalize Notice and Statement of Receiver. Discussions with Richter team re various matters.	4.00	285.00	1,140.00
08/09/2019	Shane Connolly	4.00	285.00	1,140.00

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
	Conference call with Valentino and its counsel. Correspondence with Manolo, Blahnik, Polly King & Co, Golden Goose and Jimmy Choo re inventory.			
08/09/2019	Shane Connolly Review First Report and discuss same with P. Patel.	0.75	285.00	213.75
08/11/2019	Adam Zeldin Review/update schedule re Valentino inventory. Review daily sales and update daily sales tracker.	1.00	375.00	375.00
08/12/2019	Ken Le Prepare deposits. Calls with the OSB and David Wearing HSBC. Miscellaneous administration.	0.65	250.00	162.50
08/12/2019	Geneviève Brousseau Various matters re payroll.	2.25	170.00	382.50
08/12/2019	Pritesh Patel Calls/correspondence with CO/stores re operational issues. Discussions with counsel re 81.1 claims. Review of on dock inventory, Manolo request. Call with landlords re sale guidelines. Continued review and edits to First Report.	8.00	725.00	5,800.00
08/12/2019	Adam Zeldin Review daily sales and update sales tracker. Attend weekly update meeting with HRI team/C. Adeluca. Correspond with P. Patel re insurance, payroll/employee matters. Correspond with S. Meier re inventory matters.	2.10	375.00	787.50
08/12/2019	Adam Zeldin Prepare analysis re Valentino's 30-day goods claim, discuss same with P. Patel. Correspond with payroll clerk re payroll matters. Calls with employee/C. Adeluca re scheduling. Correspond with HRI personnel re procurement of store supplies.	1.80	375.00	675.00
08/12/2019	Adam Zeldin Review comments from R. Jaipargas re liquidation order. Correspond with sales audit team re cash management, review daily MOP report, prepare reconciliation to bank in connection with same, discuss same with P. Patel.	1.90	375.00	712.50
08/12/2019	Shane Connolly Correspondence with customers and suppliers re receivership proceedings and status of orders. Calls with store managers re various matters.	2.25	285.00	641.25
08/12/2019	Shane Connolly	2.25	285.00	641.25

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
	Call with Jimmy Choo re demand notice, inventory on hand and potential purchase of same. Correspondence with suppliers re status of future orders. Calls and discussions with PP, CA and TK re closure of Rideau store and POA going forward.			
08/13/2019	Ken Le Email communications re payroll, etc.	0.15	250.00	37.50
08/13/2019	Geneviève Brousseau Various matters re payroll.	1.25	170.00	212.50
08/13/2019	Pritesh Patel Review of Valentino claim. Calls/correspondence with Richter team on payroll, operational issues, cash receipts, etc. Review of Valentino claim analysis. Drafting of 81.1 claim letters. Finalize and circulate draft First Report to counsel for comment.	7.00	725.00	5,075.00
08/13/2019	Adam Zeldin Attend at Central Office. Review schedule of unpacked inventory at warehouse. Correspond with C. Adeluca re operational matters. Call with S. Meier/P. Patel re Valentino claim, review supporting documents re same, prepare schedule summarizing same.	3.60	375.00	1,350.00
08/13/2019	Adam Zeldin Call with Marsh Canada (insurance broker) re updating insurance policy. Correspond with S. Connolly/payroll clerk re payroll matters. Correspond with A. Jaffar re cash management matters. Review daily sales/update sales tracker.	1.70	375.00	637.50
08/13/2019	Adam Zeldin Correspond with J. Farbstein re Manolo Blahnik inventory. Correspond with S. Connolly re creditor enquiries, inventory matters, payroll matters. Review schedule setting out on-hand Minolo Blahnik inventory, correspond with Richter team re same.	1.10	375.00	412.50
08/13/2019	Shane Connolly Communications re payroll. Correspondence with creditors/suppliers re amounts outstanding and inventory on hand. Review and respond to correspondence from supplier counsel.	8.00	285.00	2,280.00
08/14/2019	Ken Le Calls and email communication with HSBC and Scotiabank. Calls with creditors. Discussion with P. Patel and S. Connolly. Various payroll matters. Issue cheques.	4.25	250.00	1,062.50
08/14/2019	Vicky Coupal	0.25	105.00	26.25

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
	Letter to HSBC.			
08/14/2019	Geneviève Brousseau Various matters re payroll.	3.50	170.00	595.00
08/14/2019	Pritesh Patel Review Fasken comments on First Report and updates to same. Calls and correspondence with HSBC. Review of demand from Malone and investigation into same. Calls with CO re store operations. Call with BLG. Meeting at Sherway store.	8.00	725.00	5,800.00
08/14/2019	Adam Zeldin Review daily sales/update sales tracker. Correspond with J. Farbstein/M. DiMarco re inventory at Milan warehouse. Review 30-day goods claim and supporting documents from Malone Souliers, discuss same with S. Meier.	2.50	375.00	937.50
08/14/2019	Adam Zeldin Correspond with sales team re cash management, inter/intrabank transfers, other banking matters. Review payroll, arrange for funding of same, discuss same and other payroll matters with payroll clerk/Richter team.	1.80	375.00	675.00
08/14/2019	Adam Zeldin Attend at Central Office. Review updated AP listing, discuss same with P. Lam. Correspond with Bloor store assistant manager re product under repairs, discuss same with P. Patel. Discuss payroll, 30-day goods claims and other admin. matters with P. Patel.	1.10	375.00	412.50
08/14/2019	Shane Connolly Correspondence with Richter team re payroll, issuing pay slips, etc. Correspondence with Rideau team re closure of store. Correspondence with suppliers and their counsel re return of inventory.	9.00	285.00	2,565.00
08/15/2019	Ken Le Issue payroll cheques. Email and call with R. Sanchez at Scotia. Email with Amelia from HSBC.	1.60	250.00	400.00
08/15/2019	Geneviève Brousseau Various matters re payroll.	3.00	170.00	510.00
08/15/2019	Pritesh Patel Review of comments from counsel re Valentino letter. Call with Valentino and its counsel re 81.1 claim. Review of edits on report from BLG. Calls on gift card and credits issue. Review of demand from Chloe and analysis on same. Sign cheques.	7.00	725.00	5,075.00

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
08/15/2019	Adam Zeldin Attend at Central Office. Review daily sales/update sales tracker. Review daily cash reports, discuss same with sales team. Correspond with payroll clerk/Richter team re payroll matters. Review payroll rejection report issued by HSBC.	1.20	375.00	450.00
08/15/2019	Adam Zeldin Correspond with M. DiMarco/S. Meier re Malone Souliers/Chloe 30-day goods claims, review supporting docs and summary re same. Deal with IT matters concerning payroll. Review email from insurer re payment of premiums.	1.40	375.00	525.00
08/15/2019	Adam Zeldin Review sales information in connection with Valentino 30-day goods claim, prepare analysis of same and discuss same with S. Meier/P. Patel. Attend call with Valentino (and its counsel)/Fasken/P. Patel re Valentino's 30-day goods claim.	2.20	375.00	825.00
08/15/2019	Adam Zeldin Correspond with P. Lam/S. Warriner re payment of telecom services, review invoice concerning same. Review accrued vacation pay schedule, discuss same with payroll clerk.	0.90	375.00	337.50
08/15/2019	Shane Connolly Attend at Bayview store, including meetings with employees. Correspondence/calls with Richter team to finalize pay slips, including review of same. Discussions with A. Zeldin and P. Patel.	8.50	285.00	2,422.50
08/15/2019	Kristina Ho Review/approve employee paystubs and cheques.	1.00	285.00	285.00
08/16/2019	Ken Le Prepare deposit. Transfer funds from Scotia to Receiver account. Issue wire transfer to Milberg Factors. Post document to website.	0.75	250.00	187.50
08/16/2019	Geneviève Brousseau Various matters re payroll.	2.50	170.00	425.00
08/16/2019	Prítesh Patel Review of response from Valentino re demand and discussions with counsel on same. Discussions with Richter team re 81.1 claims. Calls with CO on employee, payroll issues. Finalize and sign report for service. Review security opinion.	7.50	725.00	5,437.50
08/16/2019	Adam Zeldin	2.60	375.00	975.00

Invoice No.: 20404446
Date: 09/11/2019

Date	Name and Description	Hours	Rate	Amount
08/16/2019	Attend at Bloor store to provide pay cheques, correspond with staff, deal with Chloe inventory. Attend at Central Office. Correspond with P. Patel re payroll matters, 30-goods claims, other admin. matters. Review daily cash reports. Adam Zeldin	2.30	375.00	862.50
08/16/2019	Correspond with payroll clerk/C. Frejlich re payment of payroll remittances. Correspond with S. Meier re Chloe and Malone Souliers 30-day goods claims, review support docs re same. Update Valentino 30-day goods claim analysis. Adam Zeldin	1.20	375.00	450.00
08/16/2019	Review daily sales/update sales tracker. Prepare analysis of Chloe 30-day goods claim, discuss same with P. Patel/Bloor store manager. Correspond with C. Adeluca re staff scheduling, vacation payout. Draft letter to telecom provider re August prepayment. Shane Connolly	4.00	285.00	1,140.00
08/16/2019	Various matters re payroll. Correspondence with creditors/suppliers re receivership, amounts outstanding and return of inventory. Discussions with A. Zeldin and P. Patel re various issues. Manpreet Kaur Bains	3.25	150.00	487.50
Fees Total		303.40		\$ 126,511.50

Invoice No.: 20404446
Date: 09/11/2019

Remittance Form

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 126,511.50
GST/HST #885435842 RT0001		16,446.50
Total Due	CAD	\$ 142,958.00

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
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 3510, 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., #3510
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-01

RICHTER

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Date: 09/17/2019
Invoice No.: 20404465
Engagement No.: 2021652
Payment Terms: Due on Receipt

Professional services rendered in connection with the receivership of Davids Footwear Ltd. for the period ending September 6, 2019. \$ 85,463.75

Disbursements 2,665.89

Sub-Total 88,129.64

GST/HST #885435842 RT0001 11,456.85

Total Due CAD **\$ 99,586.49**

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTREAL

1991 McGill College
Montreal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0600

2019-09-17

Invoice No.: 20404465
Date: 09/17/2019

Fees

Name	Hours	Rate	Amount
Adam Sherman	1.00	\$ 725.00	\$ 725.00
Adam Zeldin	56.60	375.00	21,225.00
Carol O'Donnell	2.40	250.00	600.00
Geneviève Brousseau	3.50	170.00	595.00
Ken Le	5.65	250.00	1,412.50
Manpreet Kaur Bains	13.90	150.00	2,085.00
Pritesh Patel	40.25	725.00	29,181.25
Shane Connolly	104.00	285.00	29,640.00
	227.30		\$ 85,463.75
Disbursements			

Disbursements	\$ 2,665.89
	\$ 2,665.89

Invoice No.: 20404465
Date: 09/17/2019

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
08/19/2019	Ken Le Issue cheques. Prepare wire instruction forms. Email communication with HSBC and Scotia. Miscellaneous administration.	0.50	\$ 250.00	\$ 125.00
08/19/2019	Adam Sherman Emails/discussions with Richter team re update. Approve wires.	0.30	725.00	217.50
08/19/2019	Pritesh Patel Call with counsel to Yorkdale. CO conference call. Draft letter to Chloe re demand. Review and approval of banking transfers, disbursement request. Review of demands received. Calls with Richter team re operational matters. Sherway meeting.	5.50	725.00	3,987.50
08/19/2019	Adam Zeldin Attend at Central Office. Attend weekly update meeting with HRI team/C. Adeluca/S. Meier/P. Patel. Review insurance policy, summarize same. Correspond with C. Adeluca re staffing matters. Deal with IT related issues.	1.60	375.00	600.00
08/19/2019	Adam Zeldin Correspond with P. Patel re inventory, insurance, payroll, operations, 30-day goods claims, FF+E, etc. Review 30-day goods claim from Copenhagen/Manolo Blahnik, discuss same with P. Patel/S. Meier, review summary of on-hand inventory/recent sales re same.	2.70	375.00	1,012.50
08/19/2019	Adam Zeldin Review daily sales/update tracker. Review daily cash reports. Correspond with D. Ognibene re payroll remittances and submitting payment for same. Correspond with C. Frejlich re matters concerning, telecom, IT, payroll, inventory etc.	1.70	375.00	637.50
08/19/2019	Shane Connolly Correspondence with customers re o/s orders, gift cards and returns. Correspondence with vendors re inventory on hand, demand notices and amounts o/s. Correspondence with store managers re transfer of staff and various other operational issues.	4.25	285.00	1,211.25
08/19/2019	Shane Connolly Coordinate payments to multiple vendors for goods and/or services provided during the receivership proceedings. Discussions with P. Patel, A. Zeldin and the CO team re various matters.	4.25	285.00	1,211.25
08/20/2019	Ken Le	0.75	250.00	187.50

Invoice No.: 20404466
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Prepare wire instructions for Scotia. Email communication with HSBC. Prepare affidavit re creditor mailing.			
08/20/2019	Pritesh Patel Circulate email re claims received. Draft letters for WWS, Golden Goose re 81.1 claims, and review of analysis on same. Call with counsel to Chloe. Calls with C.Adeluca re staffing. Review/sign letter to Sherway. Calls with counsel re employee issue.	6.50	725.00	4,712.50
08/20/2019	Adam Zeldin Attend at Central Office. Correspond with payroll clerk re payroll matters. Review daily sales/update sales tracker. Review daily cash reports. Meet with assistant managers at Bloor store. Attend at Kaner's shoe repair to recover inventory.	1.60	375.00	600.00
08/20/2019	Adam Zeldin Review supporting docs/summary of Manolo 30-day goods claim, discuss same w/ S. Meier/M. Dimarco/P. Patel. Review support and correspond w/ S. Meier/P. Patel/Bloor Asst. Mgrs re other 30-day goods claims (Chloe, Malone Souliers, Copenhagen, Golden Goose).	2.80	375.00	1,050.00
08/20/2019	Adam Zeldin Correspond with S. Connolly re creditor enquiries, payment of operating expenses. Correspond with P. Lam re payment of operating expenses. Review/update in-store signage.	1.50	375.00	562.50
08/20/2019	Adam Zeldin Correspond with J. Farbstein re mark-down plan, creditor enquiries, sale of FF&E. Correspond with C. Frejlich re employee matters, creditor matters.	1.00	375.00	375.00
08/20/2019	Shane Connolly Correspondence with various vendors re inventory on hand, status of demand notices, amounts o/s and other matters in connection with the receivership. Correspondence with store managers.	3.75	285.00	1,068.75
08/20/2019	Shane Connolly Discussions with PP/AZ re various matters. Review invoices from vendors re supply of goods/services to receiver, including coordinating payment of same.	3.75	285.00	1,068.75
08/21/2019	Carol O'Donnell Prepare cheques. Communications with HSBC re transfer of funds. Prepare deposit. Misc. administration.	1.10	250.00	275.00
08/21/2019	Pritesh Patel	5.50	725.00	3,987.50

Invoice No.: 20404465
 Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
08/21/2019	Review of updated analysis on Manolo claim, discussions with A. Zeldin on same. Draft letters to Manolo, Copenhagen re 81.1 claims. Calls with counsel re landlord comments on guidelines. Call with Sherway managers. Calls with C. Adeluca re staffing.	1.80	375.00	675.00
08/21/2019	Adam Zeldin Attend at Central Office. Review supporting docs/summary of Manolo 30-day goods claim, discuss same with S. Meier/M. Dimarco/P. Patel. Correspond with payroll clerk re payroll matters. Review daily sales/update sales tracker. Review daily cash reports.	1.20	375.00	450.00
08/21/2019	Adam Zeldin Correspond with S. Connolly re payment of operating expenses, payroll matters. Review estate general ledger and correspond with C. O'Donnell re same. prepare summary of expenses to date, correspond with C. Frejlich re same.	1.50	375.00	562.50
08/21/2019	Adam Zeldin Prepare draft Statement of Receipts and Disbursements. Review motion record returnable August 23, 2019. Review/update engagement offer for Bloor store General Manager.	3.50	285.00	997.50
08/21/2019	Shane Connolly Correspondence with creditors re amounts o/s and other matters in connection with the receivership. Review/update employee payroll information and correspondence re adjustments to first payroll run.	3.50	285.00	997.50
08/22/2019	Ken Le Issue cheques. Prepare wire instructions. Communications with HSBC and Scotia. Update to creditor list.	3.00	725.00	2,175.00
08/22/2019	Pritesh Patel Review and approve disbursement requests. Coordinate transfer of funds from HSBC. Call with counsel re comments from Bloor landlord. Discussions with A. Zeldin, counsel re employee issue. Edits to revised offer letter.	1.10	375.00	412.50

Invoice No.: 20404465
 Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Attend at Central Office. Review daily sales/update sales tracker. Review daily cash reports. Review HSBC bank balances, correspond with D. Ognibene/P. Patel re same. Review expense reimbursement for former director, discuss same with S. Connolly.			
08/22/2019	Adam Zeldin Review updated inventory report. Review/update offer letter to Bloor store GM, discuss same with P. Patel. Correspond with payroll clerks re payroll matters. Correspond with C. Adeluca re employee matters.	1.30	375.00	487.50
08/22/2019	Adam Zeldin Correspond with S. Meier/J. Farbstein re offer to purchase certain inventory. Correspond with S. Connolly re inventory matters, store signage, payment of operating expenses. Correspond with D. Ognibene/P. Patel re July HST.	0.80	375.00	300.00
08/22/2019	Adam Zeldin Meet with Asst. Managers at the Bloor store re staffing matters, discuss same with P. Patel/C. Adeluca. Correspond with C. Frejlich re projected sales and inventory levels. Correspond with G. Helps re FF&E.	1.00	375.00	375.00
08/22/2019	Shane Connolly Communications with AZ, PP and certain suppliers re demands and release of inventory. Various matters re payment of operating expenses. Discussions with PP re closure of Sherway Store, rental payments and other matters.	5.50	285.00	1,567.50
08/22/2019	Manpreet Kaur Bains Communications re payroll updates.	0.30	150.00	45.00
08/23/2019	Ken Le Email communication with Scotia and HSBC. Prepare wires transfer. Post document to website.	0.50	250.00	125.00
08/23/2019	Pritesh Patel Preparation and attendance in Court for Liquidation Order. Coordinate payment of 81.1 claims. Calls and correspondence with CO, Richter team re inventory, employee issues, Sherway closing.	3.50	725.00	2,537.50
08/23/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Review merchandise credits liability. Correspond with J. Farbstein/P. Patel re signs. Correspond with Marsh re insurance matters.	1.00	375.00	375.00

Invoice No.: 20404465
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
08/23/2019	Adam Zeldin Correspond with Bloor GM/payroll clerk re offer letter. Attend at Bloor store to deal with employee termination, update staff on gift card/store credit redemption deadline. Correspond with Fasken re termination letter, review/comment on same.	2.20	375.00	825.00
08/23/2019	Adam Zeldin Coordinate payment of post-filing operating expenses. Correspond with P. Patel re employee inventory, sales and other matters. Richter team status meeting. Correspond with I. Rosen re website updates.	1.30	375.00	487.50
08/23/2019	Adam Zeldin Correspond with D. Ognibene/K. Lee re HST payable. Correspond with S. Connolly re store sales. Correspond with C. Adeicua re staffing, terminations, other matters.	0.80	375.00	300.00
08/23/2019	Shane Connolly Correspondence with Yorkdale landlord. Correspondence with store managers re giftcards/operational matters. Process payments re operating expenses.	4.00	285.00	1,140.00
08/23/2019	Shane Connolly Discussions with PP/AZ re various matters. Liasing with certain vendors re repossession of inventory.	2.50	285.00	712.50
08/26/2019	Ken Le Email communication with HSBC re wire payment for GST/HST. Issue stop payment. Call with G. Brousseau re ROEs.	0.35	250.00	87.50
08/26/2019	Geneviève Brousseau Various payroll related matters.	2.50	170.00	425.00
08/26/2019	Pritesh Patel Update call with Richter team on employee issues, Sherway closing, supplier demands, etc.	0.50	725.00	362.50
08/26/2019	Adam Zeldin Review daily sales/update tracker. Review daily cash reports. Attend weekly update meeting with HRI team. Call with Chloe re repossession of inventory. Correspond with K. Lee/D. Ognibene re HST payable and payment of same.	1.20	375.00	450.00
08/26/2019	Adam Zeldin Correspond with payroll clerk re upcoming payroll matters. Correspond with C. O'Donnell/S. Connolly re ROEs. Correspond with Bloor GM re potential interest in FF&E. Review post-filing operating expenses.	1.40	375.00	525.00
08/26/2019	Adam Zeldin	1.50	375.00	562.50

Invoice No.: 20404465
 Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Attend call with insurance broker, review updated policy. Richter team update call. Review Sherway store closing checklist, discuss same with S. Meier. Correspond with C. Frejlich re FF&E at Sherway store, review list setting out same.			
08/26/2019	Shane Connolly Correspondence with PP/AZ and CO team re various employee matters. Correspondence with creditors. Correspondence with landlords re pre/post-filing payments and walkthrough for Sherway store.	4.00	285.00	1,140.00
08/26/2019	Shane Connolly Correspondence with Chloe and its counsel re repossession of inventory and other matters re same. Call with PP/AZ re various matters.	4.00	285.00	1,140.00
08/27/2019	Ken Le Issue cheques. Follow up on payroll and ROEs. Miscellaneous administration.	0.30	250.00	75.00
08/27/2019	Geneviève Brousseau Various payroll related matters.	1.00	170.00	170.00
08/27/2019	Pritash Patel Update call with Richter team on employee issues, Sherway, supplier demands and email to counsel on same.	0.75	725.00	543.75
08/27/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Correspond with S. Connolly re enquiry from Jimmy Choo re inventory/unsecured claim. Call with Jimmy Choo re 30-day goods claim.	1.50	375.00	562.50
08/27/2019	Adam Zeldin Correspond with C. Adeluca re employee matters, inventory matters. Correspond with S. Connolly/Richter team re ROEs. Correspond with L. Rosen/I. Rosen/HRI website team re website updates. Correspond with P. Lam re post-filing expenses.	1.50	375.00	562.50
08/27/2019	Adam Zeldin Correspond with S. Meier re on-hand Jimmy Choo inventory, review analysis of same, discuss same with P. Patel/S. Connolly. Richter team update call.	2.20	375.00	825.00
08/27/2019	Adam Zeldin Correspond with J. Farbstain re prospective offer for certain inventory, discuss same with P. Patel/S. Connolly. Arrange for payment of post-filing expenses and pre-filing employee expenses.	0.60	375.00	225.00

Invoice No.: 20404465
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
08/27/2019	Shane Connolly Attend at Sherway store re removal of inventory/racking and other store closing matters. Correspondence with Jimmy Choo re demand notice including discussions with PP, AZ and Faskens on same. Call with PP/AZ re various matters.	4.75	285.00	1,353.75
08/27/2019	Shane Connolly Review payroll information received from CO team and communications re payroll. Calculate incentive payments to terminated employees. Discussions with Richter team re ROEs and other payroll matters.	4.75	285.00	1,353.75
08/28/2019	Ken Le Email communication with HSBC. Reissue cheque. Miscellaneous administration.	0.25	250.00	62.50
08/28/2019	Pritesh Patel Draft response to Jimmy Choo re 81.1 demand and correspondence with counsel on same. Call with S. Connolly re employee issues.	1.50	725.00	1,087.50
08/28/2019	Adam Zeldin Review daily sales/update tracker. Review daily cash reports. Review letter to Jimmy Choo re 30-day goods, including correspondence with Fasken re same. Correspond with Chloe re repossession of inventory.	1.10	375.00	412.50
08/28/2019	Adam Zeldin Correspond with Richter team re transferring cash to estate account. Correspond with S. Connolly re payroll matters. Arrange for payment of post-filing expenses.	0.50	375.00	187.50
08/28/2019	Shane Connolly Various payroll related matters, including discussions with payroll team re same. Draft termination letters for Sherway store staff. Correspondence with PP, CO team and former employees re various matters.	4.25	285.00	1,211.25
08/28/2019	Shane Connolly Correspondence with creditors re claims and other matters in connection with the receivership. Correspondence with vendors re: demand notices. Discussions with store managers re: various issues. Correspondence with multiple parties re: sale of FF&E.	4.25	285.00	1,211.25
08/29/2019	Ken Le Prepare wire instruction form. Issue cheques. Call with A. Abderrezak at HSBC.	0.60	250.00	150.00
08/29/2019	Adam Sherman	0.30	725.00	217.50

Invoice No.: 20404465
 Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Review/approve and sign rent cheques. Discussion with Richter team.			
08/29/2019	Pritesh Patel Update call with Richter team on employee issues, Sherway, payroll, etc.	0.50	725.00	362.50
08/29/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, correspond with sales team re same. Attend at Bloor store to supervise repossession of Chloe inventory, meet with assistant managers/employees.	2.50	375.00	937.50
08/29/2019	Adam Zeldin Correspond with S. Connelly re payroll, 30-day goods issues, closing Sherway. Correspond with S. Hannah re closure of Sherway store, HVAC maintenance contract. Correspond with C. Adeluca re employee matters, shrink levels at Ottawa/Sherway.	1.00	375.00	375.00
08/29/2019	Adam Zeldin Review current payroll. Respond to creditor enquiries. Arrange for payment of post-filing expenses. Correspond with C. Frejlich re Sherway closure, post-filing expenses, inventory/sales matters. Richter team update meeting.	1.30	375.00	487.50
08/29/2019	Shane Connolly Various payroll related matters. Correspondence with vendors re potential purchase of inventory, claims and other matters. Prepare payment for September rent and correspondence with landlords re same.	9.00	285.00	2,565.00
08/29/2019	Manpreet Kaur Bains Various payroll related matters, including processing of same.	6.00	150.00	900.00
08/30/2019	Ken Le Payroll cheques. Email communication with Scotia.	0.70	250.00	175.00
08/30/2019	Adam Sherman Review/approve and sign payroll cheques. Discussions with Richter team.	0.40	725.00	290.00
08/30/2019	Adam Zeldin Review daily sales/update tracker. Review daily cash reports. Correspond with S. Connolly re landlord/payroll matters. Respond to creditor enquiry. Calls with current/former employees re payroll matters.	1.50	375.00	562.50
08/30/2019	Adam Zeldin	0.50	375.00	187.50

Invoice No.: 20404465
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Correspond with C. Adeluca re employee matters. Review email from Bloor store re employee hours and related matters.			
08/30/2019	Shane Connolly Various payroll related matters. Correspondence with vendors re potential purchase of inventory, amounts o/s and other matters. Discussions with Richter team/store managers re various matters.	8.00	285.00	2,280.00
08/30/2019	Manpreet Kaur Bains Finalize payroll including communications with Richter team.	1.50	150.00	225.00
09/03/2019	Ken Le Post deposit. Email communication with HSBC. Prepare wire instruction. Miscellaneous administration.	0.60	250.00	150.00
09/03/2019	Pritesh Patel Call with A. Zeldin re status of file, issues for CO team meeting. Discussions with Richter team re staffing issues, store security, sales trending. Correspondence with counsel re 94 Cumberland. Review email to customer list.	4.50	725.00	3,262.50
09/03/2019	Adam Zeldin Attend at central office. Review daily sales (incl. weekend)/update tracker. Review daily cash reports. Update draft Statement of Receipts and Disbursements. Attend at Bloor store, including meetings with certain employees.	1.80	375.00	675.00
09/03/2019	Adam Zeldin Attend weekly update meeting with HRI team/C. Adeluca. Correspond with C. Adeluca/J. Farbstein re inventory and liquidation sale matters. Correspond with S. Connolly re inventory/payroll matters.	0.80	375.00	300.00
09/03/2019	Adam Zeldin Correspond with P. Patel re store closing matters, sales and inventory projections, employee incentive payments, website updates, other administrative matters. Prepare analysis of actual to forecast results.	1.50	375.00	562.50
09/03/2019	Shane Connolly Correspondence with store managers re various matters. Correspondence with vendors re demand notice, inventory, claims, etc. Discussions with PP/AZ re various matters.	4.50	285.00	1,282.50
09/04/2019	Ken Le Post deposit. Issue cheque. Email Scotia. Add vendor to creditor list.	0.50	250.00	125.00
09/04/2019	Pritesh Patel	3.50	725.00	2,537.50

Invoice No.: 20404465
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Call with potential interested party re residual assets. Discussions and correspondence with Richter team re payroll, T4s, banking, and updated R&D. Update call with C. Frejlich. Review gift card/credit reports.			
09/04/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Correspond with P. Lam/S. Connolly re post-filing expenses. Correspond with C. Adeluca/J. Esterreicher re security.	0.80	375.00	300.00
09/04/2019	Adam Zeldin Correspond with Richter team re ROEs. Review/update variance to forecast results analysis. Prepare analysis of post-filing expenses, discuss same with C. Frejlich.	1.30	375.00	487.50
09/04/2019	Shane Connolly Various employee matters, including ROEs. Correspondence with Sherway landlord re release and other matters. Correspond with employees re various matters. Correspond with creditors re claims. Discussions with PP/MV re closure of Bayview store.	7.00	285.00	1,995.00
09/04/2019	Manpreet Kaur Bains Prepare ROEs, including communication with Richter team re same.	4.10	150.00	615.00
09/05/2019	Carol O'Donnell Discussions/emails with S. Connolly re WEPP. Prepare wire request for HSBC. Email to Scotiabank. Communications with A. Zeldin re T4's.	1.10	250.00	275.00
09/05/2019	Pritesh Patel Calls and correspondence with CO team re Bayview closing, signage, staffing, sales trending. Discussions with Richter team re WEPPA, cash reconciliations, Bayview closing. Draft and sign letter to Bayview landlord re surrender.	3.50	725.00	2,537.50
09/05/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Correspond with P. Patel re inventory/cash/employee/WEPPA matters. Correspond with C. Adeluca re employee matters.	1.20	375.00	450.00
09/05/2019	Adam Zeldin	1.70	375.00	637.50

Invoice No.: 20404465
 Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
	Correspond with HRI team/P. Patel/C. Adeluca re exiting Bayview store. Review latest inventory report. Review post-filing invoices, prepare summary/arrange payment of same. Correspond with payroll clerk re ROEs, T4's and other payroll matters.			
09/05/2019	Shane Connolly Prepare WEPPA schedule. Discussions with PP/MV re closure of Bayview store. Correspondence with creditors. Various discussions with PP/AZ re various matters.	8.00	285.00	2,280.00
09/05/2019	Manpreet Kaur Bains Various payroll related matters, including T4s/ROEs.	2.00	150.00	300.00
09/06/2019	Carol O'Donnell Prepare cheques.	0.20	250.00	50.00
09/06/2019	Pritesh Patel Review disbursement request and discussion with Richter team on same. Correspondence with counsel to Malone re claim. Review of updated inventory balances, correspondence with CO team re store closures, sales trending.	1.50	725.00	1,087.50
09/06/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Correspond with P. Patel/S. Connolly re post-filing expenses and related matters.	1.20	375.00	450.00
09/06/2019	Adam Zeldin Correspond with P. Patel/C. O'Donnell/payroll clerk re ROEs, T4s and other employee matters. Attend at Bloor store to meet with certain employees/respond to employee enquiries. Correspond with J. Esterreicher/M. Maciei re store security.	1.10	375.00	412.50
09/06/2019	Shane Connolly Various matters re preparation of T4s/ROEs. Correspondence with creditors. Review invoices re receivership expenses, including discussions with PP/AZ on same. Discussion with PP re closure of Bayview store and other matters.	6.50	285.00	1,852.50
Fees Total		227.30		\$ 85,463.75
Date	Name and Description	Hours	Rate	Amount
08/01/2019	Transportation (flights, taxi, parking)			\$ 1,298.97

Invoice No.: 20404465
Date: 09/17/2019

Date	Name and Description	Hours	Rate	Amount
07/31/2019	Stamps (Final Sale, etc)			1,010.92
08/03/2019	Postage/Courier			356.00

Invoice No.: 20404465
Date: 09/17/2019

Remittance Form

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 88,129.64
GST/HST #885435842 RT0001		11,456.85
Total Due	CAD	\$ 99,586.49

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
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 3510, 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., #3510
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

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Date:	09/25/2019
Invoice No.:	20404491
Engagement No.:	2021652
Payment Terms:	Due on Receipt

Professional services rendered in connection with the receivership of Davids Footwear Ltd. for the period ending September 20, 2019.	\$ 54,016.50
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Sub-Total	54,016.50
GST/HST #885435842 RT0001	7,022.15
Total Due	CAD \$ 61,038.65

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.489.2345

MONTREAL

1981 McGill College
Montreal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER 14

Invoice No.: 20404491
Date: 09/25/2019

Fees

Name	Hours	Rate	Amount
Adam Sherman	2.20	\$ 725.00	\$ 1,595.00
Adam Zeidin	40.30	375.00	15,112.50
Carol O'Donnell	5.60	250.00	1,400.00
Geneviève Brousseau	5.50	170.00	935.00
Ken Le	0.20	250.00	50.00
Manpreet Kaur Bains	9.05	150.00	1,357.50
Pascale Lareau	0.40	185.00	74.00
Pritesh Patel	23.20	725.00	16,820.00
Shane Connolly	58.50	285.00	16,672.50
	144.95		\$ 54,016.50

Invoice No.: 20404491
Date: 09/25/2019

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
09/06/2019	Ken Le Communications with creditors.	0.20	\$ 250.00	\$ 50.00
09/09/2019	Pascale Lareau Prepare bank reconciliation for August 2019.	0.40	185.00	74.00
09/09/2019	Carol O'Donnell Emails to HSBC and Scotiabank. Prepare wire request for HSBC.	0.50	250.00	125.00
09/09/2019	Geneviève Brousseau Various payroll related matters, including communications with Richter team.	2.00	170.00	340.00
09/09/2019	Adam Sherman Email re customer complaint. Emails/discussions with Richter team re update and other matters. Review/approve wire transfer.	0.50	725.00	362.50
09/09/2019	Pritesh Patel Attendance at CO for team meeting. Draft letter to landlord for Yorkdale re store closing and vacate date. Discussions with Richter team on employee issues, residual inventory/assets and operating payments. Calls with C. Adeluca.	3.00	725.00	2,175.00
09/09/2019	Adam Zeldin Attend at Central Office. Attend weekly status meeting with HRI team. Review daily sales (incl. weekend)/update tracker. Review daily cash reports, discuss same with P. Patel/sales team.	1.30	375.00	487.50
09/09/2019	Adam Zeldin Correspond with P. Patel re payroll/inventory/HST. Review post-filing expenses, discuss same with P. Lam/S. Connolly.	1.00	375.00	375.00
09/09/2019	Shane Connolly Correspond with payroll team re CRA and WSIB remittances. Review invoices re operating expenses and coordinate payment. Correspondence with PP, AZ and store managers re closure of Sherway/Yorkdale stores. Prepare WEPP worksheet.	6.50	285.00	1,852.50
09/09/2019	Manpreet Kaur Bains Prepare report/summary of source deductions owing re receiver payroll.	0.50	150.00	75.00
09/10/2019	Carol O'Donnell Emails with HSBC re wire transfer and other banking matters.	0.30	250.00	75.00
09/10/2019	Pritesh Patel	2.00	725.00	1,450.00

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
09/10/2019	Discussions with Richter team re payroll, remittances and cash flows. Review of draft agreement re Cumberland and call with counsel on same. Review of correspondence re escrow realty amount. Adam Zeldin	2.00	375.00	750.00
09/10/2019	Attend at Central Office. Review daily sales/update tracker. Correspond with S. Meier re inventory matters. Correspond with S. Connolly/C. Adeluca/payroll clerk re payroll matters. Review current payroll schedule.	0.70	375.00	262.50
09/10/2019	Review post-filing expense invoices, discuss same with P. Lam. Review daily cash reports. Correspond with D. Ognibene re pre-filing HST returns, and proposed amendments to same.	0.80	375.00	300.00
09/10/2019	Meet with General Manager at Bloor store re customer/former employee enquiries. Review daily cash reports, discuss same with sales team.	6.50	285.00	1,852.50
09/10/2019	Shane Connolly Correspondence with creditors/customers re various matters. Review payroll remittances to CRA including discussions/emails with payroll team on same. Discussions with various parties re sale of FF&E. Multiple discussions with PP/AZ.	0.50	150.00	75.00
09/10/2019	Manpreet Kaur Bains Communications with S. Connolly re payroll and remittances.	0.20	250.00	50.00
09/11/2019	Carol O'Donnell Prepare cheques. Communications with Richter team.	2.00	725.00	1,450.00
09/11/2019	Pritesh Patel Discussions with Richter team re fixed assets, payments, overtime hours and estimated realization. Call with C. Adeluca re overtime. Review of revised agreement re Cumberland and call with counsel on same.	2.50	375.00	937.50
09/11/2019	Adam Zeldin Attend at Central Office. Attend call with CRA re pre-filing HST returns, discuss same with D. Ognibene. Correspond with S. Connolly/payroll clerk re payroll matters, review supporting documents/schedules re same.	1.00	375.00	375.00

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
	Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Correspond with P. Lam re pre/post filing expenses, review supporting invoices re same. Correspond with J. Farbstein/S. Meier re inventory matters.			
09/11/2019	Adam Zeldin Correspond with P. Patel re inventory/payroll/HST. Review of inventory projection to end of September. Prepare weekly forecast to end of liquidation, including comparison to en bloc sale.	1.40	375.00	525.00
09/11/2019	Shane Connolly Review/update payroll calculations, including communications with Richter team/CO on same. Review receivership expenses and arrange payments. Landlord communications. Various communications re sale of FF&E. Discussions with PP/AZ.	7.00	285.00	1,995.00
09/11/2019	Manpreet Kaur Bains Various payroll related matters, including processing of same.	4.00	150.00	600.00
09/12/2019	Carol O'Donnell Communications with Scotiabank and HSBC re funds transfer and other banking matters. Prepare cheques re payroll and other expenses.	0.90	250.00	225.00
09/12/2019	Geneviève Brousseau Various payroll related matters, including finalizing same. Discussions with Richter team.	3.50	170.00	595.00
09/12/2019	Adam Sherman Review/approve wire transfer. Discussions with Richter team.	0.30	725.00	217.50
09/12/2019	Pritesh Patel Review of payroll and sign employee cheques. Discussions with A. Zeldin re inventory analysis and Bloor proforma, and review of same. Call with BLG re claim from former employee. Discussions with Richter team re banking matters.	3.00	725.00	2,175.00
09/12/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Correspond with S. Connolly/C. Adelcua/Richter team re payroll matters. Correspond with J. Farbstein/S. Meier/P. Patel re inventory matters and projections.	1.70	375.00	637.50
09/12/2019	Adam Zeldin	1.00	375.00	375.00

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
	Correspond with P. Lam/C. Frejlich re post-filing expenses. Prepare engagement contract re Bloor stock support, correspond with C. Adeluca/F. Luongo re same. Attend at Bloor store to respond to employee enquiries. Respond to creditor enquiries.			
09/12/2019	Adam Zeldin Prepare cash flow forecast to end of mandate and comparison to prospective offer for inventory, discuss same with P. Patel. Correspond with payroll clerk re Employee Health Tax matters.	2.30	375.00	862.50
09/12/2019	Shane Connolly Review/approve payroll info., including discussions with payroll team re same. Communications with creditors re various matters. Coordinate payment of store rents, including landlords communications. Discussions with PP/AZ.	7.00	285.00	1,995.00
09/13/2019	Carol O'Donnell Update transfers from Scotiabank and HSBC. Prepare cheque re source deductions. Communications with Scotiabank and HSBC.	0.90	250.00	225.00
09/13/2019	Pritesh Patel Approve disbursements for source deductions. Correspondence with Richter team re payroll and stat pay. Correspondence with C. Adeluca re Bayview closing and employee transfers.	1.50	725.00	1,087.50
09/13/2019	Adam Zeldin Review daily sales/update tracker. Review daily cash reports. Correspond with C. O'Donnell re estate banking matters. Respond to creditor enquiries. Correspond with S. Connolly/J. Esterreicher re Bayview store closure.	1.40	375.00	525.00
09/13/2019	Adam Zeldin Prepare draft estimated recovery analysis. Review/update cash flow forecast/comparison to prospective inventory offer. Calls with Bloor employees re payroll matters, discuss same with P. Patel/S. Connolly/payroll clerk.	1.80	375.00	675.00
09/13/2019	Adam Zeldin Prepare estimated August HST payable, discuss same with P. Patel. Call with potential interested party re Bloor store FF&E. Correspond with T. Heilbronn/P. Patel re website updates.	1.00	375.00	375.00
09/13/2019	Shane Connolly	6.50	285.00	1,852.50

Invoice No.: 20404491
 Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
	Attend Bloor store, including meetings with staff. Attend Bayview store re landlord walkthrough/return of keys/termination of lease. Communications with potential interested parties re FF&E. Discussions with HA re closing Yorkdale store.			
09/16/2019	Carol O'Donnell Communications with Scotiabank and HSBC re funds transfer. Various banking matters. Discussions with Richter team.	0.90	250.00	225.00
09/16/2019	Adam Sherman Review/approve bank rec for August 2019. Discussions with Richter team.	0.40	725.00	290.00
09/16/2019	Pritesh Patel Status call with Central Office team. Discussion with C. Adeluca re staffing issues and Yorkdale closure. Discussion with Richter team re HST estimates, ESR, inventory composition, FF&E and creditor inquiries.	2.50	725.00	1,812.50
09/16/2019	Adam Zeldin Attend at Central Office. Review daily sales (including weekend), update tracker. Review daily cash reports. Attend weekly status meeting with HRI team. Correspond with C. Adeluca re Yorkdale closure. Correspond with J. Bhasin re IT matters.	1.10	375.00	412.50
09/16/2019	Adam Zeldin Review/update estimated recovery analysis, discuss same with P. Patel. Review post-filing expenses, discuss same with P. Lam/S. Connolly. Attend at Bloor store to meet with interested party re FF&E. Discuss inventory matters with J. Farbstein.	1.90	375.00	712.50
09/16/2019	Adam Zeldin Attend calls with prospective purchasers for Bloor store FF&E. Correspond with C. Frejlich re forecast and comparison to prospective inventory offer. Correspond with D. Ognibene re HST matters, review supporting schedule re same.	1.10	375.00	412.50
09/16/2019	Shane Connolly Correspondence with customers re return of goods. Correspondence with various parties re purchase of FF&E. Discussions with Richter team/CO re closure of Yorkdale store. Various matters re Yorkdale store closure, including landlord communications.	5.25	285.00	1,496.25
09/17/2019	Carol O'Donnell Prepare cheques. Various banking and administrative matters.	0.80	250.00	200.00
09/17/2019	Pritesh Patel	2.20	725.00	1,595.00

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
09/17/2019	Correspondence with Central Office team re store signage. Discussion with Richter team re staffing for Bloor, Yorkdale closure/walk through, FF&E and creditor inquiries. Review of statement of account on RP account. Adam Zeldin	1.70	375.00	637.50
09/17/2019	Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Correspond with J. Farbstein/P. Patel re inventory matters. Correspond with C. Adeluca re staffing matters, summarize and discuss same with P. Patel.	2.00	375.00	750.00
09/17/2019	Attend at Bloor store to respond to employee enquiries, discuss inventory matters with manager. Correspond with S. Connolly re Yorkdale store closure, employee matters, post-filing expenses. Review post-filing expense invoices.	0.50	375.00	187.50
09/17/2019	Correspond with J. Esterreicher/S. Hannah re Yorkdale store closure and security matters. Review transaction statement from CRA re Davids payroll account.	5.75	285.00	1,638.75
09/18/2019	Shane Connolly Correspondence with CO re sale of FF&E/closure of Yorkdale store. Coordinate payments to vendors re goods/services provided during receivership. Discussions with PP/AZ re various matters.	0.70	250.00	175.00
09/18/2019	Carol O'Donnell Various banking and administrative matters. Communications with HSBC and Scotiabank.	2.80	725.00	2,030.00
09/18/2019	Pritesh Patel Respond to creditor inquiries. Correspondence with Richter team on banking matters, staff terminations, operating expenses, security, inventory and sales trending at Bloor. Discussion with HRI re cost reimbursements.	2.10	375.00	787.50
09/18/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review latest inventory report. Correspond with S. Connolly re Yorkdale store closure, employee matters, post-filing expenses. Correspond with P. Lam/S. Warriner re pre-filing expenses.	1.50	375.00	562.50
09/18/2019	Adam Zeldin Correspond with P. Patel/D.Ognibene/K. Singh re CRA payroll and HST audits/exams. Review CRA correspondence and supporting documents re same.			

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
09/18/2019	Shane Connolly Attend Yorkdale store re landlord walkthrough/handover of keys/termination of lease. Calls with former employees re ROE/EI queries. Coordinate payment of receivership expenses. Discussions with Richter team.	6.00	285.00	1,710.00
09/18/2019	Manpreet Kaur Bains Various payroll related matters including preparation of ROEs.	2.30	150.00	345.00
09/19/2019	Carol O'Donnell Prepare cheques. Discussion with Richter team.	0.40	250.00	100.00
09/19/2019	Pritesh Patel Review and approve disbursements. Discussion with Richter team on Manolo offer, HST for August, inventory and sales trending. Draft letter for 1200 Bay landlord. Call with BLG re employee claim.	2.20	725.00	1,595.00
09/19/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Review latest inventory report, compare same to inventory at start of the week, discuss same with P. Patel.	1.50	375.00	562.50
09/19/2019	Adam Zeldin Attend at Bloor store to deal with employee matters, develop closure plan with C. Adeluca. Correspond with S. Connolly re post-filing expenses, employee matters, other matters. Correspond with D. Ognibene re pre/post August HST filings.	1.40	375.00	525.00
09/19/2019	Adam Zeldin Call with Moneris re status of proceedings and other matters. Correspond with ASAP Security, prepare summary of amounts owing for post-filing services. Arrange with Richter team/HSBC to fund August HST payable.	0.90	375.00	337.50
09/19/2019	Shane Connolly Review/provide comments on draft ROEs. Coordinate payments for receivership expenses. Correspondence with Manolo Blahnik re bulk purchase of inventory. Prepare termination letters for certain employees.	4.75	285.00	1,353.75
09/19/2019	Manpreet Kaur Bains Update/finalize ROEs, including discussions with Richter team on same.	1.75	150.00	262.50
09/20/2019	Adam Sherman	1.00	725.00	725.00

Invoice No.: 20404491
Date: 09/25/2019

Date	Name and Description	Hours	Rate	Amount
	Emails/calls with R. Jaipargas re consent to lifting of stay re claim of former employee and other matters. Discussions with Richter team.			
09/20/2019	Pritesh Patel Finalize letter for Bloor landlord and discussions with A. Zeldin on same. Review of statement of defense re employee claim, and calls with BLG, A. Sherman and Fasken on consent.	2.00	725.00	1,450.00
09/20/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Review latest inventory report. Correspond with S. Connolly/K. Singh re payroll matters.	1.40	375.00	525.00
09/20/2019	Adam Zeldin Correspond with P. Patel re Bloor store closure, landlord notice, inventory, employee matters etc. Attend at Bloor store to meet with Assistant Manager/Stock Support re store closing plan, meet/calls with certain staff re terminations.	1.10	375.00	412.50
09/20/2019	Adam Zeldin Review letter from CRA re payroll audit, discuss same with K. Singh/P. Patel. Review/update estimated recovery analysis. Prepare analysis of on-hand inventory and projection to end of mandate. Review/discuss post-filing expenses with S. Connolly.	2.20	375.00	825.00
09/20/2019	Shane Connolly Issue ROEs to former employees. Correspondence with interested parties re FF&E. Correspondence with customers re return of goods. Discussions with AZ re Bloor Street store closure and other matters.	3.25	285.00	926.25
Fees Total		144.95		\$ 54,016.50

Invoice No.: 20404491
Date: 09/25/2019

Remittance Form

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 54,016.50
GST/HST #885435842 RT0001		7,022.15
Total Due	CAD	\$ 61,038.65

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
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 3510, 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., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTREAL

1931 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER CA

RICHTER

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Date: 10/22/2019
Invoice No.: 20404583
Engagement No.: 2021652
Payment Terms: Due on Receipt

Professional services rendered in connection with the receivership of Davids Footwear Ltd. for the period ending October 11, 2019. \$ 68,935.25

Disbursements 159.10

Sub-Total		69,094.35
GST/HST #885435842 RT0001		8,982.27
Total Due	CAD	\$ 78,076.62

TORONTO

Richter Advisory Group Inc.
181 Bay St., #3510
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416.488.2345

MONTREAL

1931 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER.CA

Invoice No.: 20404583
Date: 10/22/2019

Fees

Name	Hours	Rate	Amount
Adam Sherman	3.00	\$ 725.00	\$ 2,175.00
Adam Zeldin	52.70	375.00	19,762.50
Carol O'Donnell	3.70	250.00	925.00
Ken Le	7.30	250.00	1,825.00
Manpreet Kaur Bains	22.85	150.00	3,427.50
Pascale Lareau	0.40	185.00	74.00
Pritesh Patel	33.50	725.00	24,287.50
Shane Connolly	57.75	285.00	16,458.75
	181.20		\$ 68,935.25
Disbursements			

Postage/Courier	\$ 159.10
	\$ 159.10

Invoice No.: 20404583
 Date: 10/22/2019

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
09/23/2019	Carol O'Donnell Communications with HSBC. Various banking and administrative matters. Prepare wire transfer. Discussions with Richter team.	0.80	\$ 250.00	\$ 200.00
09/23/2019	Ken Le Issue cheques. Various banking and administrative matters.	0.35	250.00	87.50
09/23/2019	Adam Sherman Emails/call with R. Jaipargas re claim of former employee, including emails/discussions with Richter team on same. Call with creditor. Emails with P. Patel re Faskens accounts.	1.00	725.00	725.00
09/23/2019	Pritesh Patel Status call with CO team. Discussion with Richter team re banking, Bloor closure, payroll. Discussions with A. Sherman, Fasken re Third Party Claim. Correspondence with Bloor landlord re store visit.	2.50	725.00	1,812.50
09/23/2019	Adam Zeldin Review daily sales, update tracker. Review daily cash reports. Attend weekly update meeting with CO team. Attend at Central Office. Correspond with S. Connolly re post-filing expenses/employee matters/creditor enquiries/etc.	1.40	375.00	525.00
09/23/2019	Adam Zeldin Correspond with P. Patel re payroll matters/Bloor store closure/etc. Correspond with S. Hannah re Bloor store closure. Correspond with K. Singh re payroll matters/payroll audit. Correspond with C. O'Donnell re payroll/WEPP/banking.	1.60	375.00	600.00
09/24/2019	Carol O'Donnell Communications with HSBC. Update deposit. Various banking and administrative matters. Discussions with Richter team.	1.00	250.00	250.00
09/24/2019	Ken Le Communications with Scotia. Various banking and administrative matters.	0.30	250.00	75.00
09/24/2019	Pritesh Patel Review of updated inventory report. Discussion with Richter team re Bloor cleanup, payroll and incentive payments. Review of updated GL and email to A. Zeldin on same.	1.50	725.00	1,087.50
09/24/2019	Adam Zeldin	2.40	375.00	900.00

Invoice No.: 20404583
 Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Correspond with S. Connolly/K. Singh re payroll matters. Prepare analysis of staff hours, discuss same with S. Connolly/K. Singh.			
09/24/2019	Adam Zeldin Correspond with D. Ognibene/A. Jaffar re HST/cash matters. Correspond with J. Tertigas (Tert and Ross) re garbage removal at Bloor store. Correspond with C. Adeluca re Bloor store closure.	1.00	375.00	375.00
09/24/2019	Shane Connolly Review payroll prepared by CO and update calculations. Correspondence with payroll team, P. Patel and A. Zeldin re payroll. Correspondence with employee re shrink bonus/ROEs/etc.	5.50	285.00	1,567.50
09/25/2019	Adam Sherman Emails with La Canadienne re potential interest in store leases. Emails with Richter team re various matters.	0.50	725.00	362.50
09/25/2019	Pritesh Patel Discussion with Richter team re shrink calculations, Bloor cleanup, opex payments. Review of updated inventory report. Call with CO team re additional markdowns.	1.50	725.00	1,087.50
09/25/2019	Adam Zeldin Attend at Bloor store with S. Hannah/J. Tertigas re Bloor closure. Tour Bloor store with landlord rep. Discussions with P. Patel. Review post-filing expenses, discuss same with Richter team. Update analysis of remaining costs.	2.30	375.00	862.50
09/25/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Review latest inventory listing. Meet with CRA payroll auditor, respond to audit enquiries, coordinate audit document requests with K. Singh.	1.60	375.00	600.00
09/25/2019	Adam Zeldin Review Yorkdale/Bayview shrink analysis, correspond with CO/Richter team re same. Correspond with S. Connolly re payroll. Correspond with C. Adeluca/P. Patel re store closure matters.	1.40	375.00	525.00
09/25/2019	Shane Connolly	6.00	285.00	1,710.00

Invoice No.: 20404583
 Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Review draft pay slips/calculations, including revisions/comments on same. Review analyses re shrink bonus, including correspondence with A. Zeldin/CO re same. Correspondence with employee re pay discrepancy. Correspondence with customers re credit notes.			
09/25/2019	Manpreet Kaur Bains Process payroll, including preparation of draft pay stubs. Communications with Richter team.	5.90	150.00	885.00
09/26/2019	Carol O'Donnell Various banking and administrative matters.	0.50	250.00	125.00
09/26/2019	Ken Le Issue payroll cheques and supplier cheques. Discussions with S. Connolly. Various administrative matters re employee ROEs/T4s.	2.10	250.00	525.00
09/26/2019	Adam Sherman Approve disbursements and sign cheques. Discussions with Richter team. Call with creditor.	0.70	725.00	507.50
09/26/2019	Pritesh Patel Call with C. Adeluca re additional markdowns, surplus inventory. Review and sign payroll and opex cheques. Review of updated ESR and discussions with A. Zeldin on same. Review of updated inventory report.	2.00	725.00	1,450.00
09/26/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports. Review latest inventory listing. Correspond with P. Patel re Yorkdale/Bayview shrink, operating and other costs, inventory etc. Prepare master o/s bonus schedule.	1.90	375.00	712.50
09/26/2019	Adam Zeldin Correspond with M. Dimarco/S. Lee re Bayview/Yorkdale shrink, review supporting documents re same. Correspond with C. Adeluca re Bloor store closing matters. Review/update estimated recovery analysis. Calls with CRA payroll/sales tax auditor.	2.50	375.00	937.50
09/26/2019	Adam Zeldin Respond to employee/creditor enquiries.	0.40	375.00	150.00
09/26/2019	Shane Connolly Review/update/finalize payroll calculations and pay stubs, including discussions with payroll team. Review receivership expenses/invoices, including coordinating payments. Discussions with Richter team.	6.50	285.00	1,852.50

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
09/26/2019	Manpreet Kaur Bains Finalize payroll and pay stubs, including discussions with Richter team.	2.50	150.00	375.00
09/27/2019	Pritesh Patel Review of updated inventory report. Call with counsel re Bloor FF&E and discussion with A. Zeldin on same. Call with R. Markowitz re escrow amount and status of proceedings. Discussion with Richter team on Bloor closure and remaining inventory.	1.50	725.00	1,087.50
09/27/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Review latest inventory listing. Review/update estimated recovery analysis.	0.80	375.00	300.00
09/27/2019	Adam Zeldin Correspond with G. Helps/S. Hannah re store closure matters. Review receivership expenses. Correspond with P. Patel re shrink, sales, store closure matters, etc. Correspond with prospective purchaser of FF&E.	1.60	375.00	600.00
09/27/2019	Adam Zeldin Attend at Bloor store to deal with employee enquiries, FF&E removal, payroll, other matters. Correspond with landlord re store closure. Correspond with S. Connoily re payroll matters. Respond to enquiries from former employees.	1.80	375.00	675.00
09/27/2019	Shane Connolly Issue cheques/pay stubs to employees. Prepare termination letters. Correspondence with A. Zeldin/P. Patel re sale of remaining inventory and other matters.	3.25	285.00	926.25
09/30/2019	Ken Le Communications with creditors. Various banking and administrative matters.	0.60	250.00	150.00
09/30/2019	Pritesh Patel Call with C. Adeluca re Bloor closure. Call with BLG re status update and next steps. Call with L. Rosen re status of proceedings and next steps. Discussion Richter team on banking matters, HST and ESR.	1.50	725.00	1,087.50
09/30/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Review latest inventory listing. Attend at Bloor store re closure matters. Correspond with J. Tertigas re garbage removal.	2.10	375.00	787.50

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
09/30/2019	Adam Zeldin Correspond with C. Adeluca re Bloor closure. Call with prospective purchaser of FF&E. Correspond with P. Patel re inventory, sales, percentage rent owing, HST exam, Bloor closure, etc.	0.80	375.00	300.00
09/30/2019	Shane Connolly Correspondence with employees re termination of employment. Correspondence with payroll team re ROEs. Discussions with creditors (suppliers/gift card holders) re various matters in connection with the receivership.	3.00	285.00	855.00
09/30/2019	Manpreet Kaur Bains Discussions with S. Connolly re ROEs. Various matters re ROE preparation.	2.25	150.00	337.50
10/01/2019	Ken Le Emails with Scotia and HSBC. Communications with S. Connolly on outstanding payroll cheques. Various banking and administrative matters.	0.65	250.00	162.50
10/01/2019	Pritesh Patel Review of rent calculations and discussions with team on same. Numerous discussions with A. Zeldin re Bloor store and landlord walkthrough. Investigation into Bloor store condition and discussion with counsel on same.	2.50	725.00	1,812.50
10/01/2019	Adam Zeldin Attend at Central Office. Review daily sales/update tracker. Review daily cash reports, discuss same with sales team. Call with CRA re pre-filing HST assessment, discuss same with D. Ognibene.	0.80	375.00	300.00
10/01/2019	Adam Zeldin Attend at Bloor store re store closure, landlord walkthrough, other matters. Correspond with R. Lau re inventory/sales analysis during receivership period. Correspond with S. Connolly re store closing matters, receivership expenses, etc.	2.50	375.00	937.50
10/01/2019	Adam Zeldin Correspond with Richter team/D. Ognibene re percentage rent, review supporting analysis re same. Review post-filing expenses, discuss same with P. Lam. Correspond with S. Hannah re store closure matters.	1.00	375.00	375.00
10/01/2019	Shane Connolly	3.50	285.00	997.50

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Discussions with P. Patel/A. Zeldin re o/s rent for Bayview, Bloor and Yorkdale, including calculations of amounts due. Correspondence with unpaid vendors re claims. Correspondence with customers re gift cards.			
10/01/2019	Manpreet Kaur Bains Draft ROEs. Discussions with Richter team. Calculate source deductions owing re employee payroll.	4.50	150.00	675.00
10/02/2019	Pritesh Patel Review of store retail and cost reporting for receivership period and discussion with A. Zeldin on same. Draft teaser re IP assets.	2.00	725.00	1,450.00
10/02/2019	Adam Zeldin Review post-filing expenses, correspond with P. Lam/C. Kwok re same. Review cash reports, discuss same with sales team. Review emails between Blakes (Bloor landlord counsel)/Fasken re Bloor store closure matters. Respond to other store closure matters.	1.20	375.00	450.00
10/02/2019	Adam Zeldin Correspond with S. Hannah re cancellation of utility services at Bloor store. Correspond with D. Ognibene re Bayview store rent. Correspond with K. Singh re payroll books/records. Review inventory/sales analysis, discuss same with R. Lau.	0.90	375.00	337.50
10/02/2019	Adam Zeldin Correspond with S. Connolly re payroll. Correspond with Moneris.	0.50	375.00	187.50
10/02/2019	Shane Connolly Correspondence with Bayview store landlord re receivership sales/percentage rent. Correspondence with gift card holders re claims. Various discussions with P. Patel and A. Zeldin.	2.75	285.00	783.75
10/02/2019	Manpreet Kaur Bains Call with Ministry of Finance re EHT. Discussions with Richter team. Review/update/finalize ROEs.	2.00	150.00	300.00
10/03/2019	Ken Le Communications with Scotia and HSBC. Various banking and administrative matters.	0.40	250.00	100.00
10/03/2019	Pritesh Patel Call with counsel to Bloor landlord. Discussion with Fasken on IP assets and next steps.	1.00	725.00	725.00
10/03/2019	Adam Zeldin	1.50	375.00	562.50

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Review daily cash reports, discuss same with sales team. Review analysis of ITCs in support of CRA's HST exam, discuss same with D. Ognibene. Correspond with Moneris. Correspond with S. Connolly re percentage rent.			
10/03/2019	Adam Zeldin Update estimated recovery analysis, discuss same with P. Patel. Review post-filing expenses. Call with CRA auditor re status of payroll audit. Call with Fasken/Blakes/Richter team re Bloor store closure and other matters.	2.10	375.00	787.50
10/03/2019	Shane Connolly Correspondence with creditors. Correspondence with employees re ROEs, EI, incentive payments, etc.	2.00	285.00	570.00
10/03/2019	Manpreet Kaur Bains Call with Ministry of Finance re EHT.	0.50	150.00	75.00
10/04/2019	Carol O'Donnell Discussion A. Zeldin re HST. Review previous HST claim. Review CRA notice re source deductions, including discussions with S. Connolly.	0.90	250.00	225.00
10/04/2019	Ken Le Emails with Scotia and HSBC. Prepare wire transfer. Various banking and administrative matters.	0.35	250.00	87.50
10/04/2019	Adam Sherman Review draft IP sales process document, including discussions with Richter team and BLG on same.	0.50	725.00	362.50
10/04/2019	Pritesh Patel Review and update teaser, calls with Fasken on same. Compile target list and discussion with A. Zeldin on same. Sign ROEs for terminated employees. Review of banking and approve transfers.	2.00	725.00	1,450.00
10/04/2019	Adam Zeldin Correspond with C. O'Donnell re HST. Review/update HST analysis. Review/update teaser re IP assets. Forward teaser re IP to several interested parties.	1.70	375.00	637.50
10/04/2019	Adam Zeldin Review post-filing expenses. Review daily cash reports. Correspond with Richter team/A. Jaffar re closing of certain bank accounts. Correspond with certain former employees re payroll matters. Correspond with Moneris.	1.40	375.00	525.00
10/04/2019	Shane Connolly	5.50	285.00	1,567.50

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Review and provide comments on ROEs. Discussions with payroll team re source deductions. Correspondence with former employees. Correspondence with creditors.			
10/04/2019	Manpreet Kaur Bains Process amendments to certain ROEs/pay stubs. Discussions with S. Connolly.	0.50	150.00	75.00
10/07/2019	Ken Le Various banking and administrative matters.	0.25	250.00	62.50
10/07/2019	Pritesh Patel Drafting of Receiver's Second Report.	3.00	725.00	2,175.00
10/07/2019	Adam Zeldin Correspond with J. Esterreicher re security invoices. Correspond with K. Singh/S. Connolly re payroll matters. Review daily cash reports, discuss same with A. Jaffar. Review/update analysis supporting pre-filing ITCs claimed, correspond with CRA re same.	1.10	375.00	412.50
10/07/2019	Adam Zeldin Review/update Bayview percentage rent schedule, discuss same with P. Patel/D. Ognibene. Email to Bayview landlord re percentage rent, discuss same with S. Connolly. Respond to enquiries from former employees.	2.10	375.00	787.50
10/07/2019	Shane Connolly Communications with creditors/gift card holders. Communications with former employees re incentives, ROEs, T4s and WEPP. Communications with Bayview store landlord re o/s percentage rent, including discussions with P. Patel/A. Zeldin re same.	4.25	285.00	1,211.25
10/08/2019	Carol O'Donnell Discussions with S. Connolly. Review labour standards re commissions. Discussion with P. Patel re bank transactions.	0.50	250.00	125.00
10/08/2019	Pritesh Patel Discussion with Richter team on payroll, bank reconciliations and issues at Bloor. Continue drafting of Second Report.	4.00	725.00	2,900.00
10/08/2019	Adam Zeldin Review daily cash reports. Correspond with S. Connolly re payroll, gift cards/merch credits. Prepare information package in response to CRA's letter re pre-filing HST. Correspond with P. Lam re post-filing expenses. Respond to employee enquiries.	3.90	375.00	1,462.50
10/08/2019	Shane Connolly	5.50	285.00	1,567.50

Invoice No.: 20404583
 Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
	Review/update payroll calculations re final payroll run. Communications with gift card holders. Prepare WEPP calculations, including discussions with P. Patel/A. Zeldin/C. O'Donnell re same.			
10/09/2019	Pascale Lareau Prepare bank reconciliation. Update bank reconciliation file.	0.40	185.00	74.00
10/09/2019	Ken Le Emails with HSBC. Various banking and administrative matters.	0.30	250.00	75.00
10/09/2019	Pritesh Patel Review of file documents and continue drafting Second Report. Discussion with Richter team re payroll, issues at Bloor.	4.00	725.00	2,900.00
10/09/2019	Adam Zeldin Correspond with S. Hannah/A. Grenda (Cushman Wakefield) re security at Bloor store. Correspond with S. Connolly/K. Singh re payroll.	0.50	375.00	187.50
10/09/2019	Shane Connolly Correspondence with vendors re inventory. Correspondence with employees re final paychecks, ROEs and WEPP. Preparation of WEPP schedule and correspondence with CO re same.	3.00	285.00	855.00
10/09/2019	Manpreet Kaur Bains Process payroll, including preparation of draft pay stubs. Communications with Richter team.	3.50	150.00	525.00
10/10/2019	Ken Le Issue cheque re Receiver General for DAS. Call with A. Zeldin. Emails with HSBC and Scotia.	1.50	250.00	375.00
10/10/2019	Adam Sherman Approve/sign cheques. Discussion with Richter team.	0.30	725.00	217.50
10/10/2019	Pritesh Patel Correspondence with Rosejack, Fasken re timing of upcoming motion. Discussion with A. Zeldin re status of solicitation process re IP. Sign payroll cheques and discussions with Richter team re holdback and other matters.	2.50	725.00	1,812.50
10/10/2019	Adam Zeldin Prepare cash reconciliation, correspond with sales team re same. Respond to several employee enquiries. Correspond with S. Connolly re payroll. Review/update analysis re pre-filing HST, correspond with D. Ognibene re same.	4.20	375.00	1,575.00

Invoice No.: 20404583
Date: 10/22/2019

Date	Name and Description	Hours	Rate	Amount
10/10/2019	Adam Zeldin Correspond with K. Le re various estate banking matters. Email to potential interested parties re sale of Davids' IP assets. Correspond with A. Grenda/S. Hannah re Bloor store security.	1.00	375.00	375.00
10/10/2019	Shane Connolly Review and provide comments on draft payroll and associated docs. Correspondence with employees re various matters. Discussions with payroll team.	2.75	285.00	783.75
10/10/2019	Manpreet Kaur Bains Finalize payroll, including discussions with S. Connolly.	1.20	150.00	180.00
10/11/2019	Ken Le Emails with HSBC. Process payments. Various banking and administrative matters.	0.50	250.00	125.00
10/11/2019	Pritesh Patel Review of correspondence re Moneris, Amex issues and discussion with A. Zeldin on same. Review of updated distribution analysis. Review/approve operating expenses.	2.00	725.00	1,450.00
10/11/2019	Adam Zeldin Review daily cash report, discuss cash matters with sales team. Review correspondence with credit card processors re funds on deposit, discuss same with A. Jaffar. Review/update estimated recovery analysis, discuss same with P. Patel.	2.50	375.00	937.50
10/11/2019	Adam Zeldin Correspond with property manager of Bloor store.	0.20	375.00	75.00
10/11/2019	Shane Connolly Correspondence with former employees re various matters. Draft termination letters. Issue pay cheques. Draft WEPP notice. Review receivership expenses and coordinate payments.	4.25	285.00	1,211.25
Fees Total		181.20		\$ 68,935.25
Date	Name and Description	Hours	Rate	Amount
09/01/2019	Postage/Courier			\$ 159.10
Disbursements Total				\$ 159.10

Invoice No.: 20404583
Date: 10/22/2019

Remittance Form

Richter Advisory Group Inc., Receiver re Davids Footwear Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 69,094.35
GST/HST #885435842 RT0001		8,982.27
Total Due	CAD	\$ 78,076.62

Payment Options

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
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 3510, 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., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTREAL

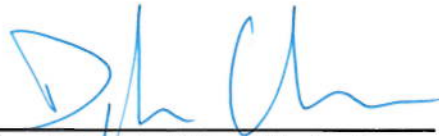
1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER.CA

This is Exhibit "C" referred to in the Affidavit of
Adam Zeldin, sworn before me on
October 25, 2019



Dylan Chochin

Commissioner for Taking Affidavits, etc.

Richter Advisory Group Inc.
in its capacity as Receiver and Manager of
Davids Footwear Ltd.
Statement of accounts

Exhibit C

Staff member	Number of hours	Hourly rate	Amount
Senior Vice President			
A. Sherman	46.4	\$ 725.00	\$ 33,640.00
P. Patel	233.4	\$ 725.00	\$ 169,215.00
Senior Associate			
A. Zeldin	313.1	\$ 375.00	\$ 117,393.75
Pat. Lareau	0.8	\$ 375.00	\$ 281.25
Analyst			
S. Connolly	320.0	\$ 285.00	\$ 91,200.00
K. Ho	1.0	\$ 285.00	\$ 285.00
Administration			
K. Le	30.6	\$ 250.00	\$ 7,650.00
C. O'Donnell	15.9	\$ 250.00	\$ 3,975.00
Pas. Lareau	1.7	\$ 185.00	\$ 314.50
G. Brousseau	33.5	\$ 170.00	\$ 5,695.00
M. Kaur Bains	49.1	\$ 150.00	\$ 7,357.50
N. Fournier	2.5	\$ 105.00	\$ 262.50
V. Coupal	0.8	\$ 105.00	\$ 78.75
Total	1,048.60		\$ 437,348.25

Blended average hourly rate: \$ 417.08

Appendix “H”

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

B E T W E E N:

ROSEJACK INVESTMENTS LTD.

Applicant

- and -

DAVIDS FOOTWEAR LTD.

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF *THE BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF *THE COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**AFFIDAVIT OF DYLAN CHOCHLA
(Sworn October 25, 2019)**

I, Dylan Chochla, barrister and solicitor, of the City of Toronto, in the
Province of Ontario, AFFIRM AND SAY:

1. I am a partner in the law firm of Fasken Martineau DuMoulin LLP ("**Fasken**"), solicitors to Richter Advisory Group Inc., in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Davids Footwear Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor. Accordingly, I have knowledge of the matters hereinafter deposed to.

2. Attached hereto as **Exhibit "A"** are true copies of the statements of account of Fasken in respect of services rendered to the Receiver for the period from July 27, 2019 through October

23, 2019 (collectively, the “**Statements of Account**”). During that period, the total fees incurred were \$93,141.50 plus disbursements of \$1,160.41 and applicable taxes of \$12,217.66, for an aggregate amount of \$106,519.57.

3. As set out in the following chart, 160.40 hours were incurred by Fasken, for the period from July 27, 2019 through October 23, 2019:

Name	Total Hours	Hourly Rate (\$)
Stuart Brotman	24.70	900
Katherine Pollock	2.60	850
Richard Cheung	1.10	675
Sarah Turney	0.20	625
Dylan Chochla	89.70	575
Daanish Samadmoten	0.60	460
Aveneet Jaswal	1.80	430
Gillian Round	1.80	405
Daniel Richer	36.20	390
Anna Lu	0.60	260
Adam Simon	1.10	185
TOTAL:	160.40	

4. The activities detailed in the Statements of Account accurately reflect the services provided by Fasken and the rates charged are at the standard hourly rates of those individuals at the firm at the time they were incurred.

5. As of the date of swearing this affidavit, Fasken has been paid the following amounts in respect of amounts owing under the Statements of Account: \$77,281.50 on account of fees,

\$1,147.66 on account of disbursements, and \$10,154.20 on account of applicable taxes, for an aggregate amount of \$88,583.36.

6. I swear this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Fasken.

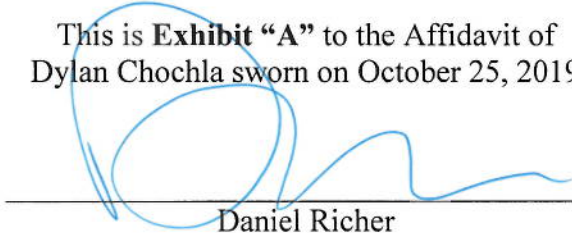
SWORN BEFORE ME at the City
of Toronto, in the Province of Ontario,
this 25th day of October, 2019

A Commissioner for taking affidavits, etc.

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DYLAN CHOCHLA

This is **Exhibit "A"** to the Affidavit of
Dylan Chochla sworn on October 25, 2019



Daniel Richer
A Commissioner for Taking Affidavits

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813
fasken.com

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

August 16, 2019
Invoice #: 1359508

GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.

For Professional Services rendered through August 09, 2019 as described in the attached memorandum.

Total Fees	\$ 42,534.50
Total Taxable Disbursements	234.25
Total Disbursements	234.25
Total Taxes	5,559.94
Total Amount Owing This Bill	CAD \$ 48,328.69

Tax Summary

HST	5,559.94
Total Taxes Included in This Bill	5,559.94

Fasken Martineau DuMoulin LLP



This account has been reviewed, verified and approved
by Stuart Brotman who has authorized the signing and
rendering of this account.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTTABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCAT

Please send a payment notice to credits@fasken.com

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813
fasken.com

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

August 16, 2019
Invoice #: 1359508

GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

FEE MEMORANDUM

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

07/27/2019	Reviewing and responding to email from R. Jaipargas. Stuart Brotman	0.20 hrs.	\$ 180.00
07/28/2019	Exchange of emails with R. Jaipargas; reviewing loan and security documents; email to A. Simon regarding required searches; attendance on call with client and R. Jaipargas. Stuart Brotman	2.00 hrs.	\$ 1,800.00
07/29/2019	Arranging for corporate searches re: DAVIDS FOOTWEAR LTD. for Stuart Brotman; correspondence re: same. Adam Simon	0.20 hrs.	\$ 37.00
07/29/2019	Reviewing corporate profile and PPSA search results; considering approach to receivership; telephone call with A. Sherman and P. Patel; [REDACTED]; email to A. Sherman and P. Patel; exchange of emails with R. Jaipargas. Stuart Brotman	1.20 hrs.	\$ 1,080.00
07/30/2019	Telephone call with A. Sherman; reviewing and revising draft appointment order; email to client enclosing same; reviewing email from R. Jaipargas and attached scheduling endorsement; exchange of emails with A. Simon regarding certified PPSA search results; reviewing certified PPSA search results; exchange of emails with BLG regarding same; reviewing email from P. Patel and attached revised draft appointment order; email to P. Patel regarding same; telephone call with R. Jaipargas; email to R. Jaipargas enclosing revised draft appointment order. Stuart Brotman	1.80 hrs.	\$ 1,620.00
07/31/2019	Reviewing email correspondence re: settling terms of court documents; reviewing and revising draft store notice and employee termination letter; email to client enclosing same; [REDACTED]; phone call with client re: same; email correspondence with Katherine Pollock re: same. Dylan Chochla	2.30 hrs.	\$ 1,322.50
07/31/2019	Drafting proposed insert to appointment order; exchange of emails with client and R. Jaipargas regarding same; reviewing court materials received; reviewing and considering email from P. Patel regarding employee matters; exchange of mails and telephone call with client regarding same; reviewing draft employee termination letter; conference with D. Chochla regarding same; telephone call with R. Jaipargas; further exchange of emails with client and D. Chochla regarding same; exchange of emails with K. Pollock. Stuart Brotman	2.70 hrs.	\$ 2,430.00

08/01/2019	Reviewing leases for Davids and Capezio stores; creating table setting out notice provisions and provisions restricting liquidation sales and advertising of same; email to S. Brotman and D. Chochla re: same. Daniel Richer	5.80 hrs.	\$ 2,262.00
08/01/2019	Reviewing application record; phone call with Katherine Pollock and Stuart Brotman [REDACTED]; phone call with client re: same; email correspondence with Roger Jaipargas (BLG) re: draft receivership order; reviewing leases provided by Roger Jaipargas; drafting letters to employees re: termination, continued employment, and term and task; email correspondence with Katherine Pollock [REDACTED]; multiple phone calls and email correspondence with client re: same; phone call with external working group re: employee benefits issue and termination of employees; final comments on draft receivership order; finalizing employee letters and email to client enclosing. Dylan Chochla	10.50 hrs.	\$ 6,037.50
08/01/2019	Telephone call with S. Brotman and D. Chochla regarding [REDACTED]; review letter to employees; email to D. Chochla; review and revise additional letter; email exchange with D. Chochla and S. Brotman. Katherine M. Pollock	2.00 hrs.	\$ 1,700.00
08/01/2019	Attendance on call with D. Chochla; attendance on call with D. Chochla and K. Pollock; reviewing emails [REDACTED]; further call with D. Chochla; attendance on call with D. Chochla, Richter, Rosejack and R. Jaipargas; reviewing further revised draft order; reviewing revised employee letters; exchange of emails with D. Chochla and K. Pollock; reviewing lease provision summary. Stuart Brotman	4.30 hrs.	\$ 3,870.00
08/02/2019	Reviewing precedent notices of motion re: liquidation processes, liquidation process orders, and sales guidelines; drafting sales guidelines. Daniel Richer	1.90 hrs.	\$ 741.00
08/02/2019	Preparing for and attending court hearing re: approval of receivership order; drafting letters to landlords re: receivership; email correspondence with client re: same; phone call to David Bish (Torys) and Michael Citak (Gardiner Roberts) re: same; further revisions to employee term and task letter. Dylan Chochla	5.20 hrs.	\$ 2,990.00
08/02/2019	Telephone call with D. Chochla regarding hearing; telephone call with R. Jaipargas regarding same; exchange of emails with D. Chochla regarding letter to landlords; reviewing and responding to emails from G. Benchetrit; reviewing emails regarding landlord communications and employee matters. Stuart Brotman	0.90 hrs.	\$ 810.00
08/03/2019	[REDACTED]; email correspondence with Katherine Pollock and Stuart Brotman re: same. Dylan Chochla	0.30 hrs.	\$ 172.50
08/03/2019	Reviewing update email from P. Patel; Considering same; exchange of emails with D. Chochla and K. Pollock regarding same. Stuart Brotman	0.40 hrs.	\$ 360.00
08/04/2019	Drafting sales guidelines. Daniel Richer	1.10 hrs.	\$ 429.00
08/05/2019	Drafting liquidation process order; revising sales guidelines. Daniel Richer	2.90 hrs.	\$ 1,131.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 4
Invoice #: 1359508

08/05/2019	Reviewing email from P. Patel; email to D. Chochla. Stuart Brotman	0.20 hrs.	\$ 180.00
08/06/2019	[REDACTED]; calls with D. Chochla re: sales guidelines; reviewing and revising same. Daniel Richer	0.90 hrs.	\$ 351.00
08/06/2019	Reviewing and revising draft sale guidelines; email to Stuart Brotman enclosing draft. Dylan Chochla	2.80 hrs.	\$ 1,610.00
08/06/2019	Reviewing draft sale guidelines; email comments to D. Chochla and D. Richer regarding same; reviewing notices of appearance received; telephone call from P. Huff; email to D. Chochla and client regarding same. Stuart Brotman	0.90 hrs.	\$ 810.00
08/07/2019	Drafting notice of motion; reviewing and revising liquidation order; meeting with D. Chochla re: same; reviewing emails re: sales guidelines. Daniel Richer	2.20 hrs.	\$ 858.00
08/07/2019	Revising draft sale guidelines to incorporate comments received from Stuart Brotman; email to client and Roger Jaipargas (BLG) enclosing same; revising same to incorporate comments received; finalizing draft; email to landlords enclosing same; email correspondence with court re: availability for hearing. Dylan Chochla	2.90 hrs.	\$ 1,667.50
08/07/2019	Reviewing revised draft sale guidelines; reviewing email from R. Jaipargas and attached purchase agreement and escrow agreement; reply email to R. Jaipargas; reviewing client comments on draft sale guidelines; conference with D. Chochla regarding same; reviewing emails to landlords' counsel regarding sale guidelines. Stuart Brotman	0.90 hrs.	\$ 810.00
08/08/2019	Revising and reviewing notice of motion and liquidation order; meeting and emails with D. Chochla re: same. Daniel Richer	1.70 hrs.	\$ 663.00
08/08/2019	Phone call with client [REDACTED]; email correspondence with client re: scheduling hearing for liquidation approval order; reviewing and revising liquidation approval order; email to Stuart Brotman enclosing draft of same. Dylan Chochla	3.00 hrs.	\$ 1,725.00
08/08/2019	Conference with D. Chochla regarding [REDACTED]; telephone call from P. Huff; telephone call with D. Chochla regarding liquidation sale approval. Stuart Brotman	0.60 hrs.	\$ 540.00
08/09/2019	Arranging for corporate searches re DAVIDS FOOTWEAR LTD. for Dan Richer; Correspondence re same. Adam Simon	0.30 hrs.	\$ 55.50
08/09/2019	Meetings with D. Chochla re: security memo and opinion; drafting same; emails to A. Simon requesting searches in connection with same. Daniel Richer	1.80 hrs.	\$ 702.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 5
Invoice #: 1359508

08/09/2019	Reviewing 30 day goods demand from Milberg Factors Inc.; [REDACTED]; multiple emails with court scheduling office re: availability; email to client enclosing draft liquidation sale approval order; revising same to incorporate comments received; email to Roger Jaipargas (BLG) enclosing same; email to landlords re: scheduling court hearing; instructions to Daniel Richer re: completing security review and drafting memorandum and opinion re: same.		
	Dylan Chochla	2.80 hrs.	\$ 1,610.00
08/09/2019	Reviewing email from P. Huff; email to client regarding same; reply from P. Patel; telephone call from P. Patel; reviewing message from Macdonald Sager Manis; email to D. Chochla regarding same; reviewing and commenting on draft liquidation approval order; reviewing and returning message from R. Jaipargas; telephone call from R. Jaipargas; conference with D. Chochla; reviewing further message from R. Jaipargas; reviewing email from P. Patel regarding Valentino and 30 day goods claim; reviewing same; Email to P. Patel; email to D. Chochla; reviewing exchange of emails regarding court hearing date; reviewing emails to landlord counsels.		
	Stuart Brotman	2.20 hrs.	\$ 1,980.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 6
Invoice #: 1359508

Professional Summary

Professional	Title	Rate	Hours	Fees
Brotman, Stuart	Partner	900.00	18.30	16,470.00
Pollock, Katherine M.	Partner	850.00	2.00	1,700.00
Chochla, Dylan	Partner	575.00	29.80	17,135.00
Richer, Daniel	Associate	390.00	18.30	7,137.00
Simon, Adam	Paralegal / Law Clerks	185.00	0.50	92.50
		Total	68.90	CAD \$ 42,534.50

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 7
Invoice #: 1359508

Our Fees

	\$ 42,534.50
Net Fees	42,534.50
HST	5,529.49
Total Fees Including Taxes	\$ 48,063.99

Disbursements

Taxable

07/31/2019	Printing: Black & White	0.50
07/31/2019	Printing: Black & White	62.75
08/01/2019	Printing: Black & White	1.00
08/02/2019	Printing: Black & White	13.75
08/02/2019	Printing: Black & White	4.75
08/06/2019	Printing: Black & White	2.00
08/07/2019	Printing: Black & White	1.00
08/08/2019	Printing: Black & White	2.25
08/08/2019	Printing: Black & White	1.50
08/09/2019	CYBERBAHN - DAVIDS FOOTWEAR LTD. - DTD 20190809 CYBERBAHN	141.00
08/09/2019	Printing: Black & White	3.50
08/09/2019	Printing: Black & White	0.25
Total Disbursements		234.25
HST		30.45
Total Disbursements Including Taxes		\$ 264.70

Total Fees, Disbursements and Taxes

CAD \$ 48,328.69

Tax Summary

HST	5,559.94
Total Taxes Included in This Bill	5,559.94

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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

September 13, 2019
Invoice #: 1367586

GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.

For Professional Services rendered through August 31, 2019 as described in the attached memorandum.

Total Fees	\$ 29,912.00
Total Taxable Disbursements	480.66
Total Disbursements	480.66
Total Taxes	3,951.05
Total Amount Owing This Bill	CAD \$ 34,343.71

Tax Summary

HST	3,951.05
Total Taxes Included in This Bill	3,951.05

Fasken Martineau DuMoulin LLP



This account has been reviewed, verified and approved
by Stuart Brotman who has authorized the signing and
rendering of this account.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCATT

Please send a payment notice to credits@fasken.com

FASKEN

Fasken Martineau DuMoulin LLP
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Richter Advisory Group Inc.
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3

September 13, 2019
Invoice #: 1367586
GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

FEE MEMORANDUM

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

08/02/2019	Review and revise termination and task letter; email exchange with D. Chochla [REDACTED] Katherine M. Pollock	0.40 hrs.	\$ 340.00
08/10/2019	Drafting security memo. Daniel Richer	1.90 hrs.	\$ 741.00
08/12/2019	Arranging for ON Corporate Profile Report re ROSEJACK INVESTMENTS LTD. et al. for Dan Richer; correspondence re same. Adam Simon	0.40 hrs.	\$ 74.00
08/12/2019	Reviewing Bank Act and certified PPSA searches, and status certificate; revising and reviewing security memo; drafting security opinion; meetings with D. Chochla [REDACTED] Daniel Richer	3.20 hrs.	\$ 1,248.00
08/12/2019	Phone call with client [REDACTED]; phone call with client and John Wolf (Blaney McMurtry) re: draft sale guidelines; researching [REDACTED]; email to client re: same. Dylan Chochla	3.30 hrs.	\$ 1,897.50
08/12/2019	Reviewing email from R. Jaipargas; reviewing email from J. Wolf; conference with D. Chochla regarding same; reviewing further email from R. Jaipargas; reviewing email from P. Patel; reviewing exchange of emails with client [REDACTED]. Stuart Brotman	0.70 hrs.	\$ 630.00
08/13/2019	Correspondence with Dan Richer re DAVIDS FOOTWEAR LTD. Certified PPSA searches. Adam Simon	0.20 hrs.	\$ 37.00
08/13/2019	Reviewing and revising security memo and security opinion. Daniel Richer	1.90 hrs.	\$ 741.00
08/13/2019	Email correspondence and phone calls with client [REDACTED]; phone call with Edward Schnitzer (Montgomery McCracken) re: filed 30 day goods claim; reviewing draft report and providing comments re: same; initial review of security review memorandum prepared by Daniel Richer. Dylan Chochla	2.40 hrs.	\$ 1,380.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 3
Invoice #: 1367586

08/13/2019	Review and reply to S. Brotman regarding [REDACTED] Katherine M. Pollock	0.20 hrs.	\$ 170.00
08/13/2019	Reviewing email from D. Chochla to K. Pollock regarding employment law query; Conference with D. Chochla regarding same; email to D. Chochla and K. Pollock; reviewing response from K. Pollock; reviewing email from counsel for supplier regarding 30-day goods; email to D. Chochla and P. Patel regarding same. Stuart Brotman	0.40 hrs.	\$ 360.00
08/14/2019	Reviewing emails among counsel; reviewing and responding to D. Chochla's comments on security memo and opinion. Daniel Richer	0.30 hrs.	\$ 117.00
08/14/2019	Phone calls and email correspondence with client [REDACTED]; updating service list; reviewing and revising draft notice of motion; revising draft liquidation order; revising draft report; compiling motion record; email correspondence with client re: same; reviewing and revising draft security review memorandum and opinion; reviewing and revising draft letters re: 30 day goods claims. Dylan Chochla	7.60 hrs.	\$ 4,370.00
08/14/2019	Email to P. Patel; exchange of emails with D. Chochla; reviewing and commenting on draft receiver's report; conference with D. Chochla; reviewing exchanges of emails with client and with R. Jaipargas regarding conduct of liquidation; reviewing exchange of emails with client regarding 30-day goods claims. Stuart Brotman	1.20 hrs.	\$ 1,080.00
08/15/2019	Emails with P. Patel, S. Brotman, and D. Chochla re: finalizing motion materials; revising and reviewing motion materials; instructions to L. Pen re: service and filing; meeting with S. Brotman re: revising to security memo and opinion; addressing S. Brotman's comments on same. Daniel Richer	2.50 hrs.	\$ 975.00
08/15/2019	Reviewing revisions from Roger Jaipargas to draft receiver's report; email correspondence and phone calls with client re: same; email correspondence and phone calls with client re: 30 day goods claims; conference call with client and counsel to Valentino re: same; reviewing revised draft of letter to Valentino re: same; email correspondence with Stuart Brotman and Daniel Richer re: security review memorandum and opinion. Dylan Chochla	3.00 hrs.	\$ 1,725.00
08/15/2019	Reviewing exchanges of emails regarding draft report and 30-day goods issues; Reviewing and commenting on draft security review memorandum and draft security opinion; conference with D. Richer regarding same. Stuart Brotman	1.40 hrs.	\$ 1,260.00
08/16/2019	Delivery and exchange of documents for upcoming motion. Anna Lu	0.60 hrs.	\$ 156.00
08/16/2019	Emails and calls with P. Patel, D. Chochla, and R. Jaipargas re: finalizing motion materials and First Report of the Receiver; meeting with S. Brotman re: same; reviewing and revising motion materials; coordinating exchange of original signed copy of security opinion for original signed copy of First Report of the Receiver with P. Patel; instructions to A. Lu re same. Daniel Richer	4.80 hrs.	\$ 1,872.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 4
Invoice #: 1367586

08/16/2019	Attending to various issues re: service of motion record re: liquidation approval; email correspondence with client [REDACTED]; email correspondence with Michael Citak (Gardiner Roberts) re: same. Dylan Chochla	0.50 hrs.	\$ 287.50
08/16/2019	Conference with D. Richer; reviewing final opinion; reviewing exchange of emails regarding same; exchange of emails with R. Jaipargas; reviewing email from D. Kofman; telephone call to D. Kofman; email to P. Patel and D. Chochla; exchange of emails with D. Chochla and P. Patel. Stuart Brotman	0.90 hrs.	\$ 810.00
08/19/2019	Reviewing emails re: liquidation order; meeting with D. Chochla re: same. Daniel Richer	0.10 hrs.	\$ 39.00
08/19/2019	Phone call with Michael Citak (Gardiner Roberts) and client re: sale guidelines; phone call with Daniel Kofman (Blakes) re: same; email correspondence and phone calls with client re: response to landlord demands. Dylan Chochla	1.50 hrs.	\$ 862.50
08/20/2019	Phone calls and email correspondence with 30 day goods claims and landlord issues; reviewing and revising letter re: release of 30 day goods; phone call with Michael Citak (Gardiner Roberts) re: landlord issues; reviewing and revising letter to landlord re: surrender of premises; email correspondence with Katherine Pollock and Avneet Jaswal [REDACTED]; phone call with client re: same. Dylan Chochla	4.40 hrs.	\$ 2,530.00
08/21/2019	Phone call with client re: 30 day goods issues; email correspondence with Michael Citak (Gardiner Roberts) re: landlord issues; revising court documents to incorporate comments received from Michael Citak; email to client enclosing same; drafting letter to landlords re: walk through. Dylan Chochla	1.20 hrs.	\$ 690.00
08/22/2019	Reviewing emails from P. Patel and R. Jaipargas re: liquidation order. Daniel Richer	0.10 hrs.	\$ 39.00
08/22/2019	Phone call with Daniel Kofman (Blakes) re: landlord issues; email correspondence re: same; email correspondence and phone call with client re: same; reviewing court materials in preparation for liquidation approval hearing. Dylan Chochla	3.10 hrs.	\$ 1,782.50
08/23/2019	Assisting D. Chochla in preparing for hearing re: liquidation order; coordinating termination of employee with P. Patel, A. Zeldin, and G. Round. Daniel Richer	2.60 hrs.	\$ 1,014.00
08/23/2019	Preparing for and attending hearing to approve liquidation sale; phone call and email correspondence with client re: signage; email correspondence with Michael Citak (Gardiner Roberts) re: same. Dylan Chochla	2.60 hrs.	\$ 1,495.00
08/23/2019	Phone call with D. Richer re drafting termination letter; phone call with A. Zeldin [REDACTED] [REDACTED]; drafting termination letter and providing same to A. Zeldin. Gillian Round	1.80 hrs.	\$ 729.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 5
Invoice #: 1367586

08/27/2019	Considering issues re: 30 day goods claim from Jimmy Choo; email to client responding to inquiry re: same. Dylan Chochla	0.40 hrs.	\$ 230.00
08/28/2019	Reviewing email from client re: 30 day goods claim; reviewing and revising letter re: same. Dylan Chochla	0.40 hrs.	\$ 230.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 6
Invoice #: 1367585

Professional Summary

Professional	Title	Rate	Hours	Fees
Brotman, Stuart	Partner	900.00	4.60	4,140.00
Pollock, Katherine M.	Partner	850.00	0.60	510.00
Chochla, Dylan	Partner	575.00	30.40	17,480.00
Richer, Daniel	Associate	390.00	17.40	6,786.00
Round, Gillian	Associate	405.00	1.80	729.00
Lu, Anna	Student	260.00	0.60	156.00
Simon, Adam	Paralegal / Law Clerks	185.00	0.60	111.00
Total			56.00	CAD \$ 29,912.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 7
 Invoice #: 1367586

Our Fees

	\$ 29,912.00
Net Fees	29,912.00
HST	3,888.56
Total Fees Including Taxes	\$ 33,800.56

Disbursements

Taxable

07/29/2019	CYBERBAHN - DAVIDS FOOTWEAR LTD. - DTD 20190729	43.00
	CYBERBAHN	
08/12/2019	CYBERBAHN - ROSEJACK INVESTMENTS LTD. - DTD 20190812	15.00
	CYBERBAHN	
08/12/2019	Printing: Black & White	3.00
08/12/2019	Printing: Black & White	0.75
08/12/2019	Online Search Westlaw Ontario MULTI-SEARCH Doc Display/Transaction - Display Document/CHOCHLA,DYLAN/18295-300245.00006	30.00
08/12/2019	Online Search Westlaw Ontario MULTI-SEARCH Westlaw Canada Search Entry/Transaction - Search/CHOCHLA,DYLAN/18295-300245.00006	87.00
08/12/2019	Online Search Westlaw Ontario MULTI-SEARCH CITATOR DISPLAY/Transaction - Citator /CHOCHLA,DYLAN/18295-300245.00006	12.00
08/12/2019	Online Search Westlaw Ontario MULTI-SEARCH DOCUMENT DISPLAYS/Transaction - Display Document/CHOCHLA,DYLAN/18295-300245.00006	51.50
08/13/2019	Printing: Black & White	6.25
08/14/2019	Printing: Black & White	15.50
08/15/2019	Printing: Black & White	9.25
08/16/2019	FASKEN MARTINEAU DuMOULIN LLP - Tabs - 33668 - 08/16/2019	0.66
08/16/2019	FASKEN MARTINEAU DuMOULIN LLP - Binding - 33668 - 08/16/2019	0.42
08/16/2019	FASKEN MARTINEAU DuMOULIN LLP - Tabs - 33668 - 08/16/2019	0.84
08/16/2019	FASKEN MARTINEAU DuMOULIN LLP - Binding - 33668 - 08/16/2019	0.60
08/16/2019	FASKEN MARTINEAU DuMOULIN LLP - Binding - 33668 - 08/16/2019	0.44
08/16/2019	Photocopying: Black & White Photocopies Daniel Richer copies made: 236	59.00
08/16/2019	Printing: Black & White	10.00
08/16/2019	Printing: Black & White	20.00
08/19/2019	Printing: Black & White	0.75
08/19/2019	CYBERBAHN - Cyberbahn FM8424, - Order # 902175 - DTD 19/08/2019	97.70
08/22/2019	Printing: Black & White	16.25
08/23/2019	Printing: Black & White	0.75
Total Disbursements		480.66
HST		62.49
Total Disbursements Including Taxes		\$ 543.15

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 8
Invoice #: 1367586

Total Fees, Disbursements and Taxes

CAD \$ 34,343.71

Tax Summary

HST

3,951.05

Total Taxes Included in This Bill

3,951.05

Outstanding Invoice History

Balance of Invoice # 1359508 Dated 2019-08-16	48,328.69
Total	\$ 48,328.69

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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

October 16, 2019
Invoice #: 1378203

GST/HST #: 87937 6127
QST #: 1023151835

Attention: Mr Adam Sherman

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.

For Professional Services rendered through September 30, 2019 as described in the attached memorandum.

Total Fees	\$ 4,835.00
Total Taxable Disbursements	112.75
Total Non Taxable Disbursements	320.00
Total Disbursements	432.75
Total Taxes	643.21
Total Amount Owning This Bill	CAD \$ 5,910.96

Tax Summary

HST	643.21
Total Taxes Included in This Bill	643.21

Fasken Martineau DuMoulin LLP



This account has been reviewed, verified and approved
by Stuart Brotman who has authorized the signing and
rendering of this account.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCATT

Please send a payment notice to credits@fasken.com

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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Richter Advisory Group Inc.
181 Bay Street
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Bay Wellington Tower
Toronto ON M5J 2T3

October 16, 2019
Invoice #: 1378203
GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

FEE MEMORANDUM

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

08/20/2019	Correspondence with Dylan Chochla and client regarding [REDACTED] Avneet Jaswal	1.80 hrs.	\$ 774.00
09/03/2019	Email correspondence with Daniel Kofman (Blakes) re: offer to lease; email correspondence with client re: same. Dylan Chochla	0.30 hrs.	\$ 172.50
09/03/2019	Conference with D. Chochla regarding status; reviewing exchange of emails between D. Chochla and P. Patel regarding Cumberland offer to lease. Stuart Brotman	0.30 hrs.	\$ 270.00
09/04/2019	Considering email from Daniel Kofman (Blakes) re: repudiation of offer to lease; email responding to same. Dylan Chochla	0.30 hrs.	\$ 172.50
09/05/2019	Email correspondence with client re: surrender of premises; reviewing and revising draft letter to landlord re: surrender of premises. Dylan Chochla	0.40 hrs.	\$ 230.00
09/09/2019	Reviewing draft termination of offer to lease agreement; reviewing offer to lease; revising draft agreement; email to client enclosing same. Dylan Chochla	1.60 hrs.	\$ 920.00
09/10/2019	Phone call with client re: agreement to terminate offer to lease; revising same to incorporate comments received; email to Chris Burr (Blakes) enclosing revised draft; phone call with Chris Burr re: same. Dylan Chochla	0.50 hrs.	\$ 267.50
09/11/2019	Reviewing revised draft of agreement re: termination of offer to lease provided by Chris Burr (Blakes); email to client enclosing same. Dylan Chochla	0.20 hrs.	\$ 115.00
09/12/2019	Email to Chris Burr (Blakes) enclosing executed copy of agreement to terminate offer to lease. Dylan Chochla	0.10 hrs.	\$ 57.50

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 3
Invoice #: 1378203

09/19/2019	Phone call with client [REDACTED]; reviewing draft third party claim from Harry Rosen; phone call with Roger Jaipargas (BLG) re: same. Dylan Chochla	1.10 hrs.	\$ 632.50
09/20/2019	Call with Dylan Chochla [REDACTED] Daanish Samadmoten	0.20 hrs.	\$ 92.00
09/20/2019	Office conference with Stuart Brotman re: request to lift stay of proceedings to issue third party claim. Dylan Chochla	0.50 hrs.	\$ 287.50
09/20/2019	Conference with D. Chochla regarding request to lift stay. Stuart Brotman	0.20 hrs.	\$ 180.00
09/22/2019	Email Dylan Chochla; [REDACTED] Daanish Samadmoten	0.40 hrs.	\$ 184.00
09/22/2019	Considering email from Roger Jaipargas re: consent to lift stay; responding to request. Dylan Chochla	0.20 hrs.	\$ 115.00
09/23/2019	Phone call with Pritesh Patel (Richter) re: request to lift stay. Dylan Chochla	0.30 hrs.	\$ 172.50
09/27/2019	Phone call with client [REDACTED]; reviewing sale guidelines for requirements re: same. Dylan Chochla	0.30 hrs.	\$ 172.50

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 4
Invoice #: 1378203

Professional Summary

Professional	Title	Rate	Hours	Fees
Brotman, Stuart	Partner	900.00	0.50	450.00
Chochla, Dylan	Partner	575.00	5.80	3,335.00
Jaswal, Avneet	Associate	430.00	1.80	774.00
Samadmoten, Daanish	Associate	460.00	0.60	276.00
Total			8.70	CAD \$ 4,835.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 5
Invoice #: 1378203

Our Fees	\$ 4,835.00
Net Fees	4,835.00
HST	628.55
Total Fees Including Taxes	<u>\$ 5,463.55</u>

Disbursements

<u>Non-Taxable</u>		
09/05/2019	RELIABLE PROCESS SERVERS INC. - Process Server Fee - Entering Order of Justice Penny (commercial list) - Invoice no. 92190, Aug 31/2019	320.00
<u>Taxable</u>		
08/19/2019	DIALOGUE CONFERENCING INC. - Dylan Chochia - Conference Call	2.75
09/05/2019	RELIABLE PROCESS SERVERS INC. - Process Server Fee - Entering Order of Justice Penny (commercial list) - Invoice no. 92190, Aug 31/2019	110.00
Total Disbursements		<u>432.75</u>
HST		<u>14.66</u>
Total Disbursements Including Taxes		<u>\$ 447.41</u>

Total Fees, Disbursements and Taxes	<u>CAD \$ 5,910.96</u>
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Tax Summary

HST	643.21
Total Taxes Included in This Bill	<u>643.21</u>

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

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+1 800 268 8474
F +1 416 364 7815
fasken.com

Richter Advisory Group Inc.
181 Bay Street
Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3
Attention: Mr Adam Sherman

October 24, 2019
Invoice #: 1381297

GST/HST#: 87937 6127
QST#: 1023151835

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.

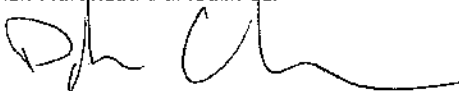
For Professional Services rendered through October 23, 2019 as described in the attached memorandum.

Total Fees	\$ 15,860.00
Total Taxable Disbursements	12.75
Total Disbursements	12.75
Total Taxes	2,063.46
Total Amount Owing This Bill	<u>CAD \$ 17,936.21</u>

Tax Summary

HST	2,063.46
Total Taxes Included in This Bill	<u>2,063.46</u>

Fasken Martineau DuMoulin LLP

per: 

Per: Stuart Brotman
E. & O.E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 2.0% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

SCOTIABANK, 44 King Street West, Toronto, Ontario, Canada M5H 1H1
Account Name: Fasken Martineau DuMoulin LLP
CAD\$ Account No: 476961041614, Transit No. 47696 Bank ID: 002
SWIFT code: NOSCCAT

Please send a payment notice to credits@fasken.com

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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

October 24, 2019
Invoice #: 1381297
GST/HST#: 87937 6127
QST#: 1023151835

Attention: Mr Adam Sherman

FEE MEMORANDUM

Matter Number: 300245.00006

Matter: Davids Footwear Ltd.

Responsible Professional: Stuart Brotman

10/01/2019	Phone call with client re: Bay/Bloor premises; phone call with Sarah Turney [REDACTED]; email to Blakes re: delivery of keys. Dylan Chochla	0.60 hrs.	\$ 345.00
10/01/2019	Email correspondence with Chris Burr (Blakes) re: vacating leased premises; email correspondence with client re: same; email correspondence with Sarah Turney re: tendering keys; reviewing sale guidelines. Dylan Chochla	0.50 hrs.	\$ 287.50
10/01/2019	Correspondence with D. Chochla [REDACTED] Sarah Turney	0.20 hrs.	\$ 125.00
10/03/2019	Phone call with client re: sale of IP; phone call with Richard Cheung re: same; reviewing email to potential interested parties; further discussions with client re: same; phone call with Chris Burr (Blakes) and client re: Bloor premises. Dylan Chochla	1.80 hrs.	\$ 1,035.00
10/03/2019	Call with Dylan Chochla on IP matter Richard Cheung	0.20 hrs.	\$ 135.00
10/03/2019	Conference with D. Chochla regarding expressions of interest in trade name and approach to same; Considering same; Stuart Brotman	0.30 hrs.	\$ 270.00
10/04/2019	Reviewing and revising draft teaser document; email correspondence and phone calls with client re: same. Dylan Chochla	1.60 hrs.	\$ 920.00
10/04/2019	Reviewing email from D. Chochla; Stuart Brotman	0.10 hrs.	\$ 90.00
10/10/2019	Email to court scheduling office re: availability for hearing. Dylan Chochla	0.10 hrs.	\$ 57.50
10/11/2019	Follow-up email to court scheduling office re: availability for hearing. Dylan Chochla	0.10 hrs.	\$ 57.50

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 3
Invoice #: 1381297

10/15/2019	Phone call with client re: sale of IP and distribution motion; email correspondence with client re: court availability. Dylan Chochla	0.40 hrs.	\$ 230.00
10/16/2019	Phone call with Richard Cheung re: assignment of IP; phone call with client re: same and drafting court documents for distribution and discharge hearing; instructions to Daniel Richer re: preparing fee affidavit. Dylan Chochla	0.90 hrs.	\$ 517.50
10/16/2019	Preparing draft trademark assignment agreement; conferring with Dylan Chochla on issues re: same Richard Cheung	0.90 hrs.	\$ 607.50
10/17/2019	Phone calls and email correspondence with Richard Cheung [REDACTED]; phone call with client re: same; phone call with Roger Jaipargas (BLG) re: same; reviewing and revising draft IP assignment agreement; drafting bill of sale; email to Richard Cheung re: same. Dylan Chochla	3.90 hrs.	\$ 2,242.50
10/18/2019	Continuing to draft bill of sale and assignment agreement; submitting hearing request form. Dylan Chochla	0.90 hrs.	\$ 517.50
10/20/2019	Drafting affidavit of fees. Daniel Richer	0.50 hrs.	\$ 195.00
10/21/2019	Revising the IP Sale Agreement to incorporate comments received from Stuart Brotman; further revisions to sale agreement [REDACTED]; email correspondence and phone call with Paul Casuccio [REDACTED]; drafting the distribution and discharge order; reviewing and revising the receiver's draft second report. Dylan Chochla	5.40 hrs.	\$ 3,105.00
10/21/2019	Reviewing draft bill of sale and trademark assignment; Conference with D. Chochla regarding same; Stuart Brotman	0.40 hrs.	\$ 360.00
10/22/2019	Email correspondence with Paul Casuccio [REDACTED]; finalizing draft IP sale agreement and assignment agreement; email to client enclosing same; email to Roger Jaipargas (BLG) enclosing same; continuing to revise draft receiver's report; email to client enclosing revised draft of same; drafting distribution and discharge order; email to client enclosing same; revising same to incorporate comments received; email to Roger Jaipargas enclosing same; drafting sale approval and vesting order; compiling motion record in preparation for service; email correspondence with Roger Jaipargas re: timeline. Dylan Chochla	5.10 hrs.	\$ 2,932.50
10/22/2019	Conference with D. Chochla; Reviewing exchange of emails with P. Patel; Reviewing draft discharge order; Stuart Brotman	0.50 hrs.	\$ 450.00
10/23/2019	Revising draft distribution and discharge order to incorporate comments received from Roger Jaipargas (BLG); continuing to draft sale approval and vesting order; email to Roger Jaipargas enclosing same; phone call with Roger Jaipargas re: draft report; reviewing revisions to report. Dylan Chochla	2.40 hrs.	\$ 1,380.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 4
Invoice #: 1381297

Professional Summary

Professional	Title	Rate	Hours	Fees
Brotman, Stuart	Partner	900.00	1.30	1,170.00
Cheung, Richard	Partner	675.00	1.10	742.50
Chochia, Dylan	Partner	575.00	23.70	13,627.50
Turney, Sarah	Partner	625.00	0.20	125.00
Richer, Daniel	Associate	390.00	0.50	195.00
Total			26.80	CAD \$ 15,860.00

Matter Number: 300245.00006
Matter: Davids Footwear Ltd.
Responsible Professional: Stuart Brotman

Page 5
Invoice #: 1381297

Our Fees

	\$ 15,860.00
Net Fees	15,860.00
HST	2,061.80
Total Fees Including Taxes	<u>\$ 17,921.80</u>

Disbursements

Taxable

10/16/2019 Printing: Black & White	0.25
10/17/2019 Printing: Black & White	1.50
10/18/2019 Printing: Black & White	2.50
10/21/2019 Printing: Black & White	2.00
10/22/2019 Printing: Black & White	2.00
10/22/2019 Printing: Black & White	2.00
10/23/2019 Printing: Black & White	2.50
Total Disbursements	<u>12.75</u>
HST	1.66
Total Disbursements Including Taxes	<u>\$ 14.41</u>

Total Fees, Disbursements and Taxes

CAD \$ 17,936.21

Tax Summary

HST	2,063.46
Total Taxes Included in This Bill	<u>2,063.46</u>

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

ROSEJACK INVESTMENTS LTD.

-and- DAVIDS FOOTWEAR LTD.

Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF DYLAN CHOCHLA

FASKEN MARTINEAU DuMOULIN LLP

333 Bay Street, Suite 2400
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**Lawyers for Richter Advisory Group Inc., in its capacity
as court-appointed receiver**