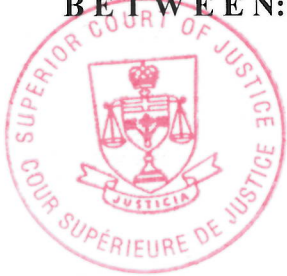


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE *CONWAY*)

TUESDAY , THE 5th
DAY OF NOVEMBER, 2019

BETWEEN:



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**

**ORDER
(Distribution & Discharge)**

THIS MOTION, made by Richter Advisory Group Inc. (“**Richter**”), 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 second report of the Receiver dated October 25, 2019 and the Appendices thereto (the “**Second 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 Irene Artuso sworn October 28, 2019, filed:

SERVICE

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

ACTIVITIES OF THE RECEIVER

2. **THIS COURT ORDERS** that the Second Report, and the activities of the Receiver as set out in the Second 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.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver’s statement of receipts and disbursements for the period from August 2, 2019 to October 24, 2019, as set out in the Second Report, be and is hereby approved.

FEES AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and of its legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), in the total amount of \$440,173.24 and

\$94,301.91, respectively (all excluding HST), as set out in the Second Report and in Appendices “G” and “H” thereto, be and are hereby approved.

5. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Receiver and Fasken in connection with the completion by the Receiver of its remaining duties and administration of this receivership proceeding, estimated not to exceed \$120,000 (the “**Remaining Fees and Disbursements**”), all as set out in the Second Report, be and are hereby approved, and that the Receiver and Fasken shall not be required to pass their accounts in respect of any further activities in connection with the administration of this receivership proceeding. For greater certainty, the Remaining Fees and Disbursements shall be paid out of the Holdback (as defined below).

6. **THIS COURT ORDERS** that, if the Remaining Fees and Disbursements exceed the above estimate, the Receiver shall be authorized to pay those Remaining Fees and Disbursements with either: (i) the consent of Rosejack Investments Ltd. (“**Rosejack**”); or (ii) pursuant to a further Order of the Court.

HOLDBACK

7. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to retain \$875,000 (the “**Holdback**”) from available cash on hand as a reserve to provide for the anticipated further accrued and future disbursements required to complete the administration of the receivership estate (the “**Outstanding Disbursements**”), as described in the Second Report.

8. **THIS COURT ORDERS** that the payment by the Receiver of the Outstanding Disbursements be and is hereby approved, and the Receiver shall not be required to seek further Court approval in respect of any distributions made on account of the Outstanding

Disbursements, provided that the distributions made on account of the Outstanding Disbursements do not exceed the all-inclusive aggregate amount of the Holdback.

DISTRIBUTION

9. **THIS COURT ORDERS AND DIRECTS** that the Receiver be and is hereby authorized and directed to distribute to Rosejack, or as it may in writing direct, in partial satisfaction of its secured claims against the Debtor: (a) \$4,500,000 and (b) such further amounts as the Receiver may determine from time to time are available for distribution to Rosejack, including any unused balance of the Holdback, without further Order of the Court until the Receivership Termination Time (as defined below), provided the aggregate distributions to Rosejack do not exceed the secured indebtedness owed to Rosejack by the Debtor.

DISCHARGE AS RECEIVER

10. **THIS COURT ORDERS** that, upon the Receiver filing a certificate substantially in the form attached hereto as Schedule "A" (the "**Receiver's Discharge Certificate**") certifying that the distributions set out in paragraphs 8 and 9 of this Order have been made and that it has completed the other activities described in the Second Report, Richter shall be discharged as Receiver of the undertaking, property and assets of the Debtor effective as of the date and time set out in the Receiver's Discharge Certificate (the "**Receivership Termination Time**"), provided, however, that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Richter in its capacity as Receiver.

11. **THIS COURT ORDERS AND DECLARES** that Richter be and is hereby 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 herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Richter is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

12. **THIS COURT ORDERS** that the Receiver's Charge and the Receiver's Borrowing Charge (as defined in the Order of the Honourable Justice Conway dated August 2, 2019) shall be terminated, released and discharged at the Receivership Termination Time.

GENERAL

13. **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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
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NOV 05 2019

PER / PAR:



SCHEDULE "A"

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

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**

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Richter Advisory Group Inc. ("**Richter**") was appointed as 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 (collectively referred to herein as the "**Property**") pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 2, 2019;

B. Pursuant to an Order of the Court dated November 5, 2019 (the "**Receivership Termination Order**") the Receiver shall be discharged as Receiver of the Property upon the filing of this Receiver's Discharge Certificate with the Court;

C. Unless otherwise indicated herein, capitalized terms used in this Receiver's Discharge Certificate shall have the meanings ascribed thereto in the Receivership Termination Order.

THE RECEIVER CERTIFIES the following:

1. The distributions contemplated at paragraphs 8 and 9 of the Receivership Termination Order have been made; and
2. The Receiver has completed the activities in connection with the receivership proceeding described in the Second Report.
3. **ACCORDINGLY**, the Receivership Termination Time as defined in the Receivership Termination Order has occurred.

DATED at Toronto, Ontario at _____[TIME] on this ____ day of _____, 2019.

RICHTER ADVISORY GROUP INC.,
solely in its capacity as Court-appointed
receiver and manager of Davids Footwear
Ltd., and not in its personal or corporate
capacity

By: _____

Name:

Title:

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

DISTRIBUTION & DISCHARGE ORDER

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