

**Estate/Court File No. 31-2363758**

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**JONES CANADA, INC. AND NINE WEST CANADA LP**

**FOURTH REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP**

**November 16, 2018**

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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP**

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**November 16, 2018**

**I. INTRODUCTION**

1. This report (the **"Fourth Report"**) is filed by Richter Advisory Group Inc. (**"Richter"**) in its capacity as proposal trustee (in such capacity, the **"Proposal Trustee"**) in connection with the Notices of Intention to Make a Proposal (**"NOIs"**) filed by Jones Canada, Inc. (**"Jones Canada"**) and Nine West Canada LP (**"NW Canada LP"**), and together with Jones Canada, the **"NW Canada Entities"**).
2. On April 6, 2018 (the **"Filing Date"**), the NW Canada Entities each filed a NOI pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the **"BIA"**) and Richter was named as Proposal Trustee under each NOI (the **"NOI Proceedings"**). On the Filing Date, the NW Canada Entities' U.S. parent companies (the **"NW US Entities"**), and together with the NW Canada Entities, the **"NW Entities"** – whose ultimate parent is Jasper Parent LLC – filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the **"Chapter 11 Proceedings"**).
3. No relief has been sought in the Chapter 11 Proceedings with respect to the NW Canada Entities. Similarly, no relief has been sought in the NOI Proceedings with respect to the NW US Entities, save and except for certain cash management provisions granted in the Administration Order (as hereinafter defined) and relief regarding the use of certain licensed trademarks.

4. As described in the Proposal Trustee's first report dated April 9, 2018, prior to the commencement of the Chapter 11 Proceedings, and following a comprehensive sale and marketing process of the Nine West brand and associated brands undertaken with the guidance and assistance of Lazard Freres & Co. LLC and Consensus Advisors LLC, certain of the NW US Entities entered into an asset purchase agreement (the "**Stalking Horse APA**") with Authentic Brands Group LLC ("**ABG**"), with Marc Fisher Footwear as ABG's operating partner, for, among other things, the sale of the Nine West brand, certain associated brands and certain working capital assets.
5. Although the Stalking Horse APA ensured the viability of the Nine West brand to consumers, and although the sale process undertaken provided a forum for prospective purchasers to present one or more bid(s) superior to that contemplated by the Stalking Horse APA, the Stalking Horse APA did not provide for ongoing retail or wholesale operations in Canada. More specifically, the transaction contemplated by the Stalking Horse APA, expressly excluded the Canadian assets. The Proposal Trustee further understands that ABG was not prepared (and did not intend) to license the Nine West brand and associated brands to the NW Canada Entities.
6. The Proposal Trustee understands that throughout the NW US Entities' extensive marketing process, no parties presented with the opportunity expressed an interest in the Canadian operations or an interest in continuing to license the Nine West brands to the NW Canada Entities. As such, continuing the NW Canada Entities as a going concern did not appear to be an option.
7. The Proposal Trustee has been informed that one (1) additional party submitted a bid as part of the stalking horse sale process and that, in accordance with the approved stalking horse bidding procedures, an auction was completed with ABG submitting a revised bid that was ultimately selected as the winning bid. The Proposal Trustee understands that the sale of the NW US Entities' assets to ABG closed in early July 2018.
8. On April 11, 2018, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order (the "**Administration Order**") which, among other things:
  - (i) approved the administrative and substantive consolidation of the NOI Proceedings, and authorized the Proposal Trustee to administer the NOI Proceedings as if they were a single proceeding;
  - (ii) authorized the NW Canada Entities to continue using their existing cash management system, provided that no amounts be directed to the NW US Entities in repayment of any intercompany amounts;
  - (iii) approved the key employee retention agreement (the "**KERA**"); and

- (iv) granted an extension of the time within which the NW Canada Entities were required to file a proposal (the “**Proposal Period**”) to June 20, 2018.

A copy of the Administration Order is attached hereto as **Appendix “A”**.

- 9. On April 11, 2018, the Court also issued an order (the “**Liquidation Process Order**”) which, among other things:
  - (i) approved the consultation agreement (the “**Consulting Agreement**”) between the NW Canada Entities and SB360 Capital Partners LLC (the “**Consultant**”), pursuant to which the Consultant was to assist with the liquidation of all owned inventory, and furniture, fixtures and equipment (“**FF&E**”) at the NW Canada Entities’ thirty-five (35) retail locations (the “**Liquidation**”), in accordance with the sale guidelines (the “**Sale Guidelines**”) appended to the Liquidation Process Order; and
  - (ii) authorized and directed the NW Canada Entities, with the assistance of the Consultant, to conduct the Liquidation and to take any and all actions necessary to implement the Consulting Agreement and the transactions contemplated therein.

A copy of the Liquidation Process Order is attached hereto as **Appendix “B”**.

- 10. On June 19, 2018 (the “**June 19 Order**”) and August 2, 2018 (the “**August 2 Order**”), the Court issued orders which, among other things, granted extensions of the Proposal Period, first to August 3, 2018 and then to September 17, 2018. Copies of the June 19 Order and August 2 Order are attached hereto as **Appendix “C”** and **Appendix “D”**, respectively.
- 11. As noted in the Proposal Trustee’s third report dated July 27, 2018 (the “**Third Report**”), a copy of which is attached hereto (without appendices) as **Appendix “E”**, the Liquidation was completed on June 30, 2018, and, subsequent to that date, the few remaining head office employees worked to wind-down the NW Canada Entities’ business and operations. The NW Canada Entities also engaged in discussions with their advisors and key stakeholders, including the NW US Entities and counsel for certain landlords, regarding the terms of a proposal to be submitted for consideration by the NW Canada Entities’ creditors.
- 12. The purpose of this Fourth Report is to provide the Court with information pertaining to the following:
  - (i) the primary activities of the NW Canada Entities and the Proposal Trustee since July 27, 2018 (the date of the Third Report) to the date of this Fourth Report;

- (ii) the key terms of the proposal dated September 14, 2018 and filed by the NW Canada Entities pursuant to Part III of the BIA (the “**Proposal**”), which Proposal was approved by the requisite majorities of the NW Canada Entities’ creditors;
- (iii) the NW Canada Entities’ remaining assets;
- (iv) the status of the D&O Trust (as defined herein);
- (v) the status of the charges (the “**Charges**”) created pursuant to the Administration Order, being the Administration Charge, the D&O Charge and the KERA Charge (each as defined in the Administration Order); and
- (vi) the Proposal Trustee’s recommendation that this Court make an order:
  - (i) approving the Proposal;
  - (ii) approving the IP Asset Recovery (as defined herein);
  - (iii) terminating the KERA Charge forthwith and terminating the Administration Charge and the D&O Charge upon the Proposal Trustee filing a certificate (the “**Proposal Trustee’s Charge Termination Certificate**”) certifying that the D&O Trust has been terminated and that provisions have been made for the satisfaction of the amounts secured by the Administration Charge;
  - (iv) approving the Proposal Trustee’s fees and disbursements for the period from July 21, 2018 to October 31, 2018 and those of the Proposal Trustee’s counsel, Aird & Berlis LLP (“**Aird & Berlis**”) for the period from July 18, 2018 to October 31, 2018; and
  - (v) approving this Fourth Report, as well as the activities, actions and conduct of the Proposal Trustee set out herein.

## II. TERMS OF REFERENCE

- 13. Unless otherwise noted, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.
- 14. In preparing this Fourth Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information prepared by representatives of the NW Canada Entities, the NW Canada Entities’ books and records and discussions with representatives of the NW Canada Entities and the NW Canada Entities’ legal counsel (collectively, the “**Information**”).

15. Except as otherwise described in this Fourth Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

### III. THE ACTIVITIES OF THE NW CANADA ENTITIES

16. Since the date of the Third Report, the activities of the NW Canada Entities have included:
- (i) communicating with the NW Canada Entities’ employees/former employees regarding the NOI Proceedings and the treatment of their claims in the Proposal;
  - (ii) responding to calls and enquiries from creditors and other stakeholders regarding the NOI Proceedings and the terms of the Proposal;
  - (iii) making payments to suppliers for goods and/or services received following the Filing Date;
  - (iv) recovering deposits securing the payment of post-filing goods/services provided to the NW Canada Entities held by certain trade creditors upon termination of services;
  - (v) recovering on accounts receivable;
  - (vi) reporting receipts and disbursements;
  - (vii) corresponding and communicating with the NW US Entities, primarily with respect to cash management and the Chapter 11 Proceedings;
  - (viii) consulting with the Proposal Trustee regarding the disclaimer of certain remaining third-party agreements;
  - (ix) administering the KERA and terminating any remaining head office employees in connection with the planned wind-down of the NW Canada Entities’ operations. As at the date of the Fourth Report, the Proposal Trustee understands that all retail and head office employees have been terminated;
  - (x) corresponding with Canada Revenue Agency (“CRA”) and the Proposal Trustee in connection with CRA’s audit of certain of the NW Canada Entities’ provincial sales tax (HST/GST) and payroll accounts;

- (xi) corresponding with the Companies' customs broker / freight forwarder and the Canada Border Services Agency ("**CBSA**") regarding the making of a voluntary disclosure of under reported dutiable value on certain goods imported by the Companies prior to the Filing Date (the "**Voluntary Disclosure**");
- (xii) corresponding with the CBSA regarding its audit of certain of the NW Canada Entities' customs tax filings;
- (xiii) communicating with the Proposal Trustee, the NW Canada Entities' counsel and the NW US Entities on various matters in connection with the NOI Proceedings, including proposal considerations;
- (xiv) preparing, with the assistance of the Proposal Trustee, the NW Canada Entities' statement of projected cash flow for the period September 9, 2018 to November 15, 2018 (the "**Cash Flow Statement**") and related reports pursuant to section 50(6) of the BIA, copies of which are attached hereto as **Appendix "F"**;
- (xv) preparing the Proposal, including various communications with the NW US Entities and the Proposal Trustee in connection with same; and
- (xvi) communicating with the NW US Entities and the Proposal Trustee in connection with the Remaining Assets (as hereinafter defined).

#### **IV. THE PROPOSAL TRUSTEE'S ACTIVITIES**

17. The Proposal Trustee's activities since the date of the Third Report have included:

- (i) maintaining a website at <https://www.richter.ca/N/Nine-West-Canada-LP>, where all materials filed with the Court and all orders made by the Court, in connection with the NOI Proceedings, are available in electronic form;
- (ii) monitoring the NW Canada Entities' cash flows and reporting on any variances to the NW Canada Entities' cash flow forecast;
- (iii) communicating extensively with the NW US Entities, the NW Canada Entities and their counsel on cash management and various other matters in connection with the NOI Proceedings, including proposal considerations;
- (iv) consulting with the NW Canada Entities regarding, and ultimately approving, the NW Canada Entities' disclaimer of certain third-party agreements;



- (v) corresponding with CRA and Management in connection with CRA's audit of certain of the NW Canada Entities' provincial sales tax (HST/GST) and payroll accounts;
- (vi) communicating with the CBSA regarding its audit of certain of the NW Canada Entities' tax filings;
- (vii) responding to calls and enquiries from creditors and other stakeholders regarding the NOI Proceedings and the terms of the Proposal;
- (viii) filing, on September 14, 2018, the NW Canada Entities' Proposal with the Office of the Superintendent of Bankruptcy (the "**Superintendent**");
- (ix) assisting the NW Canada Entities with the preparation of the Cash Flow Statement and related reports pursuant to section 50(6) of the BIA (see Appendix "F");
- (x) mailing a notice (the "**Creditor Meeting Notice**"), on September 24, 2018, in accordance with section 51(1) of the BIA, to the NW Canada Entities, the Superintendent and every known creditor affected by the Proposal of the calling of a meeting of creditors (the "**Meeting of Creditors**") to be held on October 4, 2018 to consider and vote on the Proposal. A copy of the Creditor Meeting Notice (excluding exhibits) is attached hereto as **Appendix "G"**;
- (xi) preparing the NW Canada Entities' statement of affairs (the "**SOA**"), sworn September 14, 2018, detailing the NW Canada Entities' assets and liabilities. A copy of the NW Canada Entities' SOA (a copy of which was included in the Notice) is attached hereto as **Appendix "H"**;
- (xii) preparing a report on the NW Canada Entities' financial circumstances and the Proposal (the "**Report of the Proposal Trustee on Proposal**"), pursuant to section 50(10)(b) of the BIA. A copy of the Report of the Proposal Trustee on Proposal, which was mailed to the NW Canada Entities' creditors on September 24, 2018, is attached hereto as **Appendix "I"**;
- (xiii) convening, on October 4, 2018, and assisting with the administration of the Meeting of Creditors, which was presided over by a representative of the Superintendent;
- (xiv) applying, via its solicitor, within the prescribed time period, for an appointment for a hearing of the application for the Court's approval of the NW Canada Entities' Proposal;

- (xv) mailing a notice (the “**Court Approval Hearing Notice**”), on November 7, 2018, to the NW Canada Entities, the Superintendent and the NW Canada Entities’ creditors of the date, time and place of the application to the Court to approve the NW Canada Entities’ Proposal. A copy of the Court Approval Hearing Notice is attached hereto as **Appendix “J”**; and
- (xvi) preparing this Fourth Report, a copy of which will be forwarded to the Superintendent, as provided for pursuant to the BIA.

## V. THE PROPOSAL

- 18. As noted above, the NW Canada Entities’ Proposal, a copy of which is attached hereto as **Appendix “K”**, was filed with the Superintendent on September 14, 2018.
- 19. The key terms of the NW Canada Entities’ Proposal are discussed in the Report of the Proposal Trustee on Proposal (see Appendix “I”), a summary of which is provided in the paragraphs below. At a high level, the Proposal provides for the distribution of the net proceeds of the Liquidation and certain other funds to the NW Canada Entities’ proven creditors in a manner that will likely result in proven creditors deriving a greater benefit from the distribution contemplated by the Proposal than they would otherwise receive from a bankruptcy of the NW Canada Entities. In this regard, and as set out below and in the Proposal, the NW US Entities have agreed to subordinate \$1 million of their unsecured claims against the NW Canada Entities if the Proposal is approved by the creditors and the Court and is implemented.
- 20. As set out in the Proposal, the Proposal provides that the monies paid by the NW Canada Entities to the Proposal Trustee (the “**Creditors’ Fund**”) to fund a distribution to proven creditors will be comprised of the following:
  - (i) the NW Canada Entities’ cash on hand (primarily the net realizations from the Liquidation); and
  - (ii) the net cash proceeds from the monetization of the NW Canada Entities’ remaining assets, including the collection of accounts receivable, withholding tax refunds, GST/HST refunds, balance of D&O Trust, if any, remaining after settlement of GST/HST and other liabilities contemplated by the D&O Trust and miscellaneous prepaid items.
- 21. As noted above and in the Proposal, to facilitate the approval and implementation of the Proposal, the NW US Entities have agreed not to pursue a portion of their unsecured claim against the NW Canada Entities without prejudice to their ability to pursue any claim or receive distributions in a bankruptcy scenario. For greater certainty, the NW US Entities have agreed to subordinate \$1 million of their unsecured debt only if the Proposal is approved by the NW Canada Entities’ creditors and the Court and is implemented.

22. Provided that the Proposal is approved by the Court (after having been approved by the required majorities of the NW Canada Entities' creditors):
  - (i) the NW Canada Entities shall pay their cash on hand, subject to any reserve for post-filing claims (collectively, the **"Initial Fund Contribution"**), to the Proposal Trustee within five (5) business days following Court approval of the Proposal; and
  - (ii) the NW Canada Entities shall pay the net cash proceeds remaining from the realization of the Remaining Assets and any remaining cash on hand (collectively, the **"Final Contribution"**) to the Proposal Trustee as soon as reasonably practicable following receipt.
23. Upon the NW Canada Entities making the Initial Fund Contribution payment into the Creditors' Fund in accordance with the Proposal, the NW Canada Entities, their successors and assigns, and their directors shall be deemed to have fully satisfied the terms of the Proposal other than with respect to the Final Contribution.
24. The determination of which payment constitutes the Final Contribution into the Creditors' Fund by the NW Canada Entities shall be determined by the NW Canada Entities, acting reasonably, in consultation with the Proposal Trustee.
25. The Proposal provides for a full and final release and discharge of all claims against the NW Canada Entities and certain claims that could be asserted against the NW Canada Entities' directors/officers (collectively, the **"Releases"**), which Releases are operative upon payment, by the NW Canada Entities, of the Initial Fund Contribution to the Proposal Trustee.
26. As the Proposal specifies that section 95 to 101 of the BIA shall not apply to the Proposal, the Proposal Trustee reported the results of its investigation regarding the NW Canada Entities' conduct in accordance with, among other things, sections 50(10)(b) of the BIA, in the Report of the Proposal Trustee on Proposal (see Appendix "I"). Based on the Proposal Trustee's investigations, the Proposal Trustee did not identify any transactions that may qualify as preferences and/or transfers at undervalue pursuant to the BIA.
27. In addition, the Proposal Trustee is not aware of any facts, pursuant to section 173 of the BIA, which may be proved against the NW Canada Entities.

28. The Proposal Trustee is further of the opinion that the Proposal is advantageous for the NW Canada Entities' creditors for the following reasons:
- (i) based on the analysis set out in the Report of the Proposal Trustee on Proposal, the Proposal Trustee believes that the Proposal provides for a distribution to the NW Canada Entities' creditors that likely exceeds the dividend that would otherwise be available in a bankruptcy;
  - (ii) the Proposal benefits the general body of the creditors of the NW Canada Entities; and
  - (iii) if the Proposal is not approved by the Court, the NW Canada Entities will become bankrupt and, as outlined in the Report of the Proposal Trustee on Proposal, the NW US Entities would pursue recovery of their full unsecured claims against the NW Canada Entities, which, subject to section 137(1) of the BIA, would reduce recoveries for the NW Canada Entities' arms-length unsecured creditors. For the purposes of section 137(1) of the BIA, nothing has come to the Proposal Trustee's attention to suggest that the unsecured transactions between the NW Canada Entities and the NW US Entities were improper.

## VI. MEETING OF CREDITORS

29. The Meeting of Creditors was held on October 4, 2018 and presided over by a representative of the Superintendent.
30. At the Meeting of Creditors, the Proposal was unanimously accepted by the NW Canada Entities' creditors entitled to vote at the Meeting of Creditors, as set out in the table below:

<b>Votes For</b>		<b>Votes Against</b>	
Number	75	Number	Nil
Percentage in Number	100.0%	Percentage in Number	Nil
Dollar Value	11,355,609.60	Dollar Value	Nil
Percentage in Dollar Value	100.0%	Percentage in Dollar Value	Nil

31. At the Meeting of Creditors, P. Shannon and S. Sopic were elected to be inspectors in the NW Canada Entities' Proposal proceedings.
32. A copy of the minutes of the Meeting of Creditors is attached hereto as **Appendix "L"**.

## VII. REMAINING ASSETS

33. As at the date of the Fourth Report, and following the conclusion of the Liquidation, the NW Canada Entities are left with limited assets, including accounts receivable that the NW Canada Entities are continuing to pursue and certain intellectual property assets, including the corporate business name and various registered internet domain names (the “**IP Assets**” and together with the other remaining assets, the “**Remaining Assets**”).
34. The NW Canada Entities continue to pursue the collection of accounts receivable and there remains one party (the “**AR Debtor**”) with a substantial amount owing to the NW Canada Entities. The NW Canada Entities and the Proposal Trustee have had many communications with the AR Debtor regarding payment of the amounts due to the NW Canada Entities, but the amounts due to the NW Canada Entities remain unsatisfied. Should the AR Debtor fail to pay the outstanding amounts due to the NW Canada Entities, it may become necessary to bring the matter back for the Court’s assistance.
35. The NW Canada Entities, in consultation with the Proposal Trustee, have considered various options/alternatives to monetize the IP Assets with the understanding that the most likely party with an interest in the IP Assets was the purchaser of the NW US Entities’ assets (which as noted previously herein had acquired the Canadian licensing rights to the Nine West brand). Absent the sale of the IP Assets to the purchaser of the NW US Entities’ assets, the NW Canada Entities (and the Proposal Trustee) are of the view that there would be minimal recovery to the NW Canada Entities’ creditors from the IP Assets and/or that any potential recovery may face uncertainty in light of any competing licensing claims that may be asserted by the purchaser of the NW US Entities’ assets.
36. In light of the above and following further discussions among the Proposal Trustee, the NW Canada Entities and the NW US Entities, the NW Canada Entities and the NW US Entities reached an agreement in which the IP Assets will continue to be held by the NW Canada Entities and, in return, the Proposal Trustee will reduce the secured distribution to be paid to the NW US Entities by US\$95,000 (the “**IP Asset Recovery**”). This agreement ensures that the IP Assets can be monetized at this time, without further delay or uncertainty. The NW Canada Entities, post emergence, will continue to own the IP Assets and address future actions to be undertaken, without further claim by the creditors of the NW Canada Entities.
37. It is the NW Canada Entities’ belief (and that of the Proposal Trustee) that the only alternative to the IP Asset Recovery is to undertake a sale process for the IP Assets that would, due to increased professional and other costs, almost certainly result in a substantial diminution in net realizations (if any) from the IP Assets.

38. In the Proposal Trustee's view, the IP Asset Recovery will have a positive impact on the net realizations from the NW Canada Entities' assets and provides the best opportunity to maximize recoveries for the NW Canada Entities' creditors from the IP Assets.
39. Based on the foregoing, it is the Proposal Trustee's view that the IP Asset Recovery will generate a superior return to the NW Canada Entities' creditors compared to the alternatives and, consequently, the Proposal Trustee supports the IP Asset Recovery.

## **VIII. D&O TRUST**

40. Immediately prior to the Filing Date, the NW Canada Entities set aside funds (received through secured intercompany advances) in a trust (the "**D&O Trust**") to ensure there would be sufficient funds to cover payment of the NW Canada Entities' estimated pre-filing GST/HST liability, employee source deductions, payroll and accrued vacation pay liabilities (the "**D&O Claims**"). At the request of Jones Canada (the settlor of the D&O Trust), and as set out in the Proposal Trustee's second report dated June 12, 2018, Richter replaced the former trustee under the D&O Trust (in accordance with its terms) following the Filing Date and took possession of the funds supporting same.
41. The terms of the D&O Trust provide that amounts may only be paid from the D&O Trust at the request of the NW Canada Entities' directors and officers. As at the date of this Fourth Report, no funds have been released from the D&O Trust; any payments of pre-filing GST/HST or employee amounts to date have been funded directly from the NW Canada Entities' operating cash.
42. The Proposal Trustee understands that following the review of any claims filed in respect of GST/HST, employee source deductions or accrued vacation pay, CBSA's verification of the NW Canada Entities' Voluntary Disclosure, and the completion of the customs, payroll and GST/HST audits, the D&O Trust will be available to satisfy any resulting claims with the balance remaining in the D&O Trust, if any, to be paid to the NW Canada Entities to form part of the Creditors' Fund, as provided for in the NW Canada Entities' Proposal.

## **IX. CHARGES**

43. The Administration Order granted three separate court-ordered Charges over the property of the NW Canada Entities – the Administration Charge, the D&O Charge and the KERA Charge (as those terms are defined in the Administration Order). The Proposal Trustee provides the following update in connection with the Charges:
  - (i) Administration Charge: the Administration Order provided for the Administration Charge, in the maximum amount of \$750,000, against the assets of the NW Canada Entities, to secure the fees and disbursements

incurred in connection with services rendered to the NW Canada Entities both before and after the commencement of the proposal proceedings by the following entities: the Proposal Trustee, the Proposal Trustee's legal counsel and legal counsel to the NW Canada Entities.

Should the requested relief be granted, there remains considerable work to be done by the Proposal Trustee, the Proposal Trustee's legal counsel and legal counsel to the NW Canada Entities to implement and carry out the NW Canada Entities' Proposal. As such, in the Proposal Trustee's view, it remains appropriate for the Administration Charge to remain in place until provisions have been made for the satisfaction of the amounts secured by the Administration Charge.

- (ii) D&O Charge: the Administration Order provided for the D&O Charge, in the maximum amount of \$700,000, against the assets of the NW Canada Entities, to indemnify the officers and directors for liabilities incurred by the NW Canada Entities that result in post-filing claims against the directors and officers in their personal capacities.

As noted above, the NW Canada Entities continue efforts to wind-down operations and, should the requested relief be granted, the NW Canada Entities will be working in consultation with the Proposal Trustee to implement and carry out the NW Canada Entities' Proposal. As such, in the Proposal Trustee's view, it remains appropriate for the D&O Charge to remain in place until the Proposal Trustee has been able to confirm potential post filing obligations have been satisfied, the D&O Trust has been terminated in accordance with its terms, and any balance remaining in the D&O Trust, after settlement of those liabilities contemplated by the D&O Trust, paid to the NW Canada Entities as noted above.

- (iii) KERA Charge: the Administration Order provided for the KERA Charge, in the maximum amount of \$100,000, against the assets of the NW Canada Entities, to secure all amounts potentially payable under the KERA.

As noted above, the Proposal Trustee understands that all retail and head office employees have been terminated. The Trustee further understands that all personnel of the NW Canada Entities eligible to receive a KERA payment have their KERA entitlement. As such, the Proposal Trustee is not aware of any further KERA payments owed to the NW Canada Entities' employees/former employees that would be secured by the KERA Charge.

- 44. Considering the above, the Proposal Trustee is of the view, that it is appropriate that the KERA Charge be terminated forthwith and the Administration Charge and D&O Charge be terminated upon the filing of the Proposal Trustee's Charge Termination Certificate.

## X. PROPOSAL TRUSTEE'S AND ITS COUNSEL'S FEES AND DISBURSEMENTS

45. The Proposal Trustee has reported on the status of the NW Canada Entities' NOI Proceedings, including the actions and activities of the Proposal Trustee in connection thereto, from time to time, in its previous reports to this Court. As detailed in these reports (copies of which are available on the Proposal Trustee's website – see paragraph 17(1)), to the best of the Proposal Trustee's knowledge, the Proposal Trustee has carried out its duties, as set out in the BIA and the various Orders issued by the Court in respect of the NW Canada Entities' NOI Proceedings.
46. The Proposal Trustee and Aird & Berlis have maintained detailed records of their professional time and costs. The Proposal Trustee's fees and disbursements for the period ending July 20, 2018 and Aird & Berlis' fees and disbursements for the period ending July 17, 2018 were previously approved by this Court pursuant to the August 2 Order (see Appendix "D").
47. The Proposal Trustee is seeking the approval of its fees and disbursements for the period from July 21, 2018 to October 31, 2018 (the "**Proposal Trustee Period**") and those of Aird & Berlis for the period from July 17, 2018 to October 31, 2018 (the "**Aird & Berlis Period**") in connection with the performance of their duties in these NOI Proceedings.
48. The total fees of the Proposal Trustee during the Proposal Trustee Period amounts to \$120,283.75, together with expenses and disbursements in the amount of \$22,020.08 (both amounts excluding HST) (collectively, the "**Proposal Trustee Fees and Disbursements**"). The time spent by the Proposal Trustee's personnel during the Proposal Trustee Period is more particularly described in the Affidavit of Adam Sherman, sworn November 16, 2018 in support hereof and attached as **Appendix "M"** to this Fourth Report (the "**Sherman Affidavit**"). The Sherman Affidavit includes a summary of the personnel, hours, and hourly rates charged by the Proposal Trustee in respect of the NOI Proceedings for the Proposal Trustee Period. The Sherman Affidavit also provides a breakdown of the disbursements, which include certain of the Aird & Berlis Fees and Disbursements (as hereinafter defined), in the amount of \$19,460.08 (excluding HST). The Aird & Berlis Fees and Disbursements are detailed in the affidavit of Ian Aversa, sworn November 13, 2018 in support hereof and attached as **Appendix "N"** to this Fourth Report (the "**Aversa Affidavit**").
49. The total fees for services provided by Aird & Berlis during the Aird & Berlis Period amounts to \$19,159.50, together with expenses and disbursements in the amount of \$300.58 (both amounts excluding HST) (collectively, the "**Aird & Berlis Fees and Disbursements**"). As noted above, the time spent by Aird & Berlis' personnel during the Aird & Berlis Period is more particularly described in the Aversa Affidavit (see Appendix "N"). Included



in the Aversa Affidavit is a summary of the personnel, hours and hourly rates charged by Aird & Berlis in respect of the NOI Proceedings for the Aird & Berlis Period.

50. The Proposal Trustee respectfully submits that the Proposal Trustee Fees and Disbursements and the Aird & Berlis Fees and Disbursements are fair and reasonable in the circumstances and have been properly incurred. Accordingly, the Proposal Trustee is seeking approval of the Proposal Trustee Fees and Disbursements and the Aird & Berlis Fees and Disbursements.


## **XI. CONCLUSION AND RECOMMENDATION**

51. Based on all the foregoing, the Proposal Trustee respectfully recommends that this Court issue an order approving the NW Canada Entities' Proposal, which the Proposal Trustee views as being advantageous to the NW Canada Entities' creditors, and granting the other relief summarized in paragraph 12(vi) of this Fourth Report.

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

**Richter Advisory Group Inc.**  
**in its capacity as Proposal Trustee of**  
**Jones Canada, Inc. and Nine West Canada LP**

Per:



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

# APPENDIX A

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE  
JUSTICE HAINES

)  
)  
)

WEDNESDAY, THE 11<sup>TH</sup>  
DAY OF APRIL, 2018



Estate/Court File No.31-2363758

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES  
CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

Applicant

Estate/Court File No.31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE  
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO

Applicant

ADMINISTRATION ORDER

THIS MOTION made by Jones Canada, Inc. ("Jones Canada") and Nine West Canada LP ("NW Canada" and, together with Jones Canada, the "Applicants") pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "BIA") for an order, among other things, extending the time for filing a proposal (the "Proposal Period") pursuant to s. 50.4(9) of the BIA, approving the substantive consolidation of the Applicants' proposal proceedings and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn April 6, 2018 and exhibits thereto (the "Schipani Affidavit"), the First Report (the "First Report") of Richter Advisory Group Inc. ("Richter") in its capacity as proposal trustee of the Applicants (in such capacity, the "Proposal Trustee"), and the confidential appendices thereto, filed, and on hearing the submissions of respective counsel for the Applicants, the Proposal Trustee, Riocan Management, Ivanhoe Cambridge, CEC Leaseholds Inc., 20 Vic

Management, Brookfield Properties, The Cadillac Fairview Corporation Limited and the Oxford Properties Group and such other counsel as were present, no one else appearing although duly served as appears from the Affidavits of Service of Elizabeth Pillon sworn April 9, 2018 and Sanja Sopic sworn April 10, 2018, filed;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated so that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

#### **SUBSTANTIVE CONSOLIDATION**

2. **THIS COURT ORDERS** that the proposal proceedings of Jones Canada (Estate Number 31-2363758) and NW Canada (Estate Number 31-2363759) (collectively, the “**Proposal Proceedings**”) are hereby administratively and substantively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following joint title of proceedings, *nunc pro tunc*:

Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

3. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Court only in the NW Canada Estate and Court file, being Estate / Court File No. 31-2363759.

4. **THIS COURT ORDERS** that Richter, in its capacity as the Proposal Trustee of the consolidated Proposal Proceedings may administer the Proposal Proceedings on a consolidated basis, as follows:

- (a) the Proposal Trustee is authorized to administer the Proposal Proceedings as if they were a single proposal proceeding for the purpose of carrying out its administrative duties and responsibilities as proposal trustee under the BIA with respect to the administration of proposal proceedings generally, including without limitation:
  - i. the Proposal Trustee is authorized to issue consolidated reports in respect of the Proposal Proceedings; and
  - ii. the Proposal Trustee is authorized to perform a consolidated making, filing, advertising and distribution of all filings and notices in the Proposal Proceedings required under the BIA;
- (b) the Proposal Trustee is authorized to combine the pool of assets and liabilities of the Proposal Proceedings into one;
- (c) the Proposal Trustee is authorized to file a joint proposal for Jones Canada and NW Canada and convene a single meeting of the creditors of Jones Canada and NW Canada for the purpose of voting on the proposal; and
- (d) the Proposal Trustee is authorized to pay its reasonable fees out of the combined pool of assets of the Proposal Proceedings.

#### CASH MANAGEMENT

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the cash management system currently in place as described in the Schipani Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) provided that any cash currently in NW Canada’s Canadian or U.S. dollar accounts and any amounts received into those accounts following the date of this Order shall not be directed to the NW U.S. Entities (as defined and described in the Schipani Affidavit) without the prior approval of the Proposal Trustee.

#### APPROVAL OF THE D&O CHARGE

6. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers (the “**Directors and Officers**”) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, including, without limitation, in respect of any failure to pay wages and source deductions and vacation pay, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or willful misconduct.

7. **THIS COURT ORDERS** that the Directors and Officers shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on all assets, rights, undertakings and properties of the Applicants, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the “**Property**”), which charge shall not exceed an aggregate amount of \$700,000, as security for the indemnity provided in paragraph 6 of this Order. The D& O Charge shall have the priority set out in paragraphs 13 and 14 herein.

8. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Directors and Officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 6 of this Order.

#### APPROVAL OF THE KERA AND KERA CHARGE

9. **THIS COURT ORDERS** that the KERA attached as Confidential Appendix “2” to the First Report is hereby approved and the Applicants are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the KERA.

10. **THIS COURT ORDERS** that the employees who are the beneficiaries of the KERA (the “**KERA Beneficiaries**”) shall be entitled to the benefit of and are hereby granted a charge (the “**KERA Charge**”) on the Property as security of all amounts now or hereafter owing under the

KERA to the KERA Beneficiaries, before and after the making of this Order. The KERA Charge shall have the priority set out in paragraphs 13 and 14 herein.

### **APPROVAL OF THE ADMINISTRATION CHARGE**

11. **THIS COURT ORDERS** that the Proposal Trustee, Aird & Berlis LLP as counsel for the Proposal Trustee (the “**Proposal Trustee’s Counsel**”) and Stikeman Elliott LLP as counsel to the Applicants in connection with these proceedings (the “**Company’s Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Proposal Trustee, the Proposal Trustee’s Counsel and the Company’s Counsel (for work performed in connection with these BIA proceedings) on a weekly basis.

12. **THIS COURT ORDERS** that the Proposal Trustee, the Proposal Trustee’s Counsel and the Company’s Counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which Administration Charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 13 and 14 herein.

### **PRIORITY OF CHARGES**

13. **THIS COURT ORDERS** that the priorities of the D&O Charge, the KERA Charge and the Administration Charge (together, the “**Charges**”), as among them, be as follows:

First - the Administration Charge (to the maximum amount of \$750,000);

Second - the D&O Charge (to the maximum amount of \$700,000); and

Third - the KERA Charge.

14. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any individual, firm, corporation, governmental body or agency or any other entity (each of the foregoing being a “**Person**”), other than any secured creditors who have not been served with the Applicants’ Motion Record dated April 6, 2018, perfected purchase money security interest under the Ontario Personal Property Registry or such other applicable provincial legislation unless otherwise provided herein.

15. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

16. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Proposal Trustee and the other beneficiaries of the Charges, or further Order of this Court.

17. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents,



lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

18. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

#### SEALING

19. **THIS COURT ORDERS** that Confidential Appendix "1" and Confidential Appendix "2" to the First Report are hereby sealed and shall not form part of the public record pending further order of the Court.

#### STAY EXTENSION

20. **THIS COURT ORDERS** that the Proposal Period is hereby extended in accordance with subsection 50.4(9) of the BIA, to and including June 20, 2018.

#### SERVICE AND NOTICE

21. **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/eservice->

commercial/) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (Ontario) (the “Rules”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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: <http://www.richter.ca/Folder/Insolvency-Cases/N/Nine-West-Canada-LP>.

22. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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.

23. **THIS COURT ORDERS** that the Applicants, the Proposal Trustee and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

24. **THIS COURT ORDERS** that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of the Court, including, without limitation, to:

- (a) monitor the Applicants’ receipts and disbursements;

- (b) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to matters relating to the Property, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants in their preparation of the Applicants' cash flow statements, which information shall be reviewed with the Proposal Trustee;
- (d) assist the Applicants in their development of a proposal to their creditors and any amendments to such proposal;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on a proposal;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under the BIA or this Order;
- (g) be at liberty to engage such Persons as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the BIA or this Order; and
- (h) perform such other duties as are required by the BIA, this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Proposal Trustee shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Applicants' business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Applicants' business or the Property, or any part thereof.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no

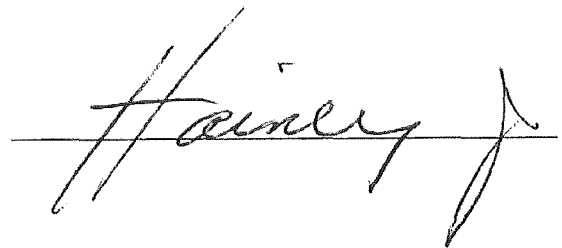
liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Proposal Trustee under the BIA or any applicable legislation.

**GENERAL**

27. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Applicants and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that any interested party (including the Applicants and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in cursive script, reading "Hainey J.", is written over a horizontal line. The signature is fluid and stylized, with a prominent initial 'H' and a long, sweeping tail.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP

Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding commenced at Toronto

ADMINISTRATION ORDER

STIKEMAN ELLIOTT LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Elizabeth Pillon** LSUC#: 35638M  
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Tel: (416) 869-5668  
Fax: (416) 947-0866

Lawyers for the Applicants

# APPENDIX B

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE )

WEDNESDAY, THE 11<sup>TH</sup>

JUSTICE Hainey )

DAY OF APRIL, 2018 )



Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A  
PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE  
PROVINCE OF ONTARIO

Applicants

LIQUIDATION PROCESS ORDER

THIS MOTION made by Jones Canada, Inc. and Nine West Canada LP ("NW Canada" and, together with Jones Canada, Inc., the "Applicants") pursuant to the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3, as amended (the "BIA") for an order, among other things, approving the consulting agreement entered into between NW Canada and SB360 Capital Partners LLC (the "Consultant") made as of April 11, 2018 (the "Consulting Agreement") and the transactions contemplated thereby, and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn April 6, 2018 and exhibits thereto (the "Affidavit"), the First Report (the "First Report") of Richter Advisory Group Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the "Trustee"), filed, and on hearing the submissions of respective counsel for the Applicants, the Trustee, the Consultant, Riocan Management, Ivanhoe Cambridge, CEC Leaseholds Inc., 20 Vic Management, Brookfield Properties, The Cadillac Fairview Corporation Limited and the Oxford Properties Group and such other counsel as were present, no one else appearing although duly served as appears from the

Affidavits of Service of Elizabeth Pillon sworn April 9, 2018 and Sanja Sopic sworn April 10, 2018, 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.

2. **THIS COURT ORDERS** that capitalized terms used and not defined herein have the same meaning ascribed to them in the Consulting Agreement.

#### **APPROVAL OF THE CONSULTING AGREEMENT**

3. **THIS COURT ORDERS** that the Consulting Agreement, including the Sale Guidelines attached hereto as Schedule "A" (the "**Sale Guidelines**"), and the transactions contemplated under the Consulting Agreement, including the Sale Guidelines, are hereby approved with such minor amendments (to the Consulting Agreement, but not the Sale Guidelines) as NW Canada, with the consent of the Trustee, and the Consultant may deem necessary and agree to in writing. Subject to the provisions of this Order, NW Canada, and the Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Consulting Agreement and the Sale Guidelines and each of the transactions contemplated therein.

#### **THE SALE**

4. **THIS COURT ORDERS** that NW Canada, with the assistance of the Consultant, is authorized and directed to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Closing Stores, all in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines, the order of priority of documents to resolve each conflict is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement.



5. **THIS COURT ORDERS** that NW Canada, with the assistance of the Consultant, is authorized to market and sell the Merchandise and the FF&E, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or arise or come into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively "Claims"), including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by this Order and any other charges hereinafter granted by this Court in these proceedings; and (b) 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"), which Claims will attach instead to the proceeds received from the Merchandise and the FF&E, other than amounts due and payable to the Consultant by NW Canada under the Consulting Agreement, in the same order and priority as the Claims existed as at the date hereof.

6. **THIS COURT ORDERS** that, subject to the terms of this Order and the Sale Guidelines, the Consultant shall have the right to use the Closing Stores and all related store services, furniture, trade fixtures and equipment, including the FF&E, located at the Closing Stores, and other assets of NW Canada as designated under the Consulting Agreement for the purpose of conducting the Sale, and for such purposes, the Consultant shall be entitled to the benefit of the Applicants' stay of proceedings provided under section 69 or section 69.1 of the BIA, as applicable.

7. **THIS COURT ORDERS** that until July 31, 2018 or such earlier date as a lease is disclaimed in accordance with the BIA, the Consultant shall have access to the Closing Stores in accordance with the applicable leases and the Sale Guidelines on the basis that the Consultant is assisting the Applicants and the Applicants have granted the right of access to the applicable Closing Store to the Consultant. To the extent that the terms of the applicable leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the BIA, the Applicants shall pay amounts constituting rent or payable as rent under real property leases (including for greater certainty, common area maintenance charges, utilities, and realty taxes and any other amounts payable to the landlord under the lease) (collectively, "Rent") or as otherwise may be negotiated between the Applicants and the landlord from time to time in accordance with the terms of the applicable real property on the first business day of each month, in advance (but not in arrears). Upon delivery of a notice of disclaimer or resiliation, the Applicants shall pay all Rent owing by the Applicants to the applicable landlord in respect of such lease due for the notice period stipulated in the BIA to the extent that Rent for such period has not already been paid.

9. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the leases for the Closing Stores. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon NW Canada or the Consultant any additional restrictions not contained in the applicable lease.

10. **THIS COURT ORDERS** that 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.

11. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, the Applicants' trademarks, trade names and logos, customer/marketing lists, website and social media accounts as well as all licenses and rights granted to the Applicants to use the trade names, trademarks and logos of third parties, relating to and used in connection with the operation of the Closing Stores solely for the purpose of advertising and conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines and this Order, provided that the Consultant provides NW Canada with a copy of any proposed advertising five days prior to its use in the Sale.

#### **CONSULTANT LIABILITY**

12. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to NW Canada and that it shall not be liable for any claims against NW Canada

other than as expressly provided in the Consulting Agreement or the Sale Guidelines. More specifically:

- (a) The Consultant shall not be deemed to be an owner or in possession, care, control or management of the Closing Stores or the assets located therein or associated therewith or of NW Canada's employees located at the Closing Stores;
- (b) The Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
- (c) NW Canada shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines, or awards) relating to claims of customers, employees and any other persons arising from events and closings occurring at the Stores during and after the term of the Consulting Agreement, except in accordance with the Consulting Agreement.

13. **THIS COURT ORDERS** to the extent any of the Applicants' landlords may have a claim against the Applicants arising solely out of the conduct of the Consultant in conducting the sale pursuant to this Order for which the Applicants have claims against the Consultant under the Consulting Agreement, the Applicants shall be deemed to have assigned free and clear such claims to the applicable landlord (the "**Assigned Landlord Rights**").

#### **CONSULTANT AS UNAFFECTED CREDITOR**

14. **THIS COURT ORDERS** that, in accordance with section 69.4 of the BIA, and subject only to paragraph 6 of this Order, the Consultant shall not be affected by the stay of proceedings in respect of NW Canada and shall be entitled to exercise its remedies under the Consulting Agreement in respect of claims of the Consultant pursuant to the Consulting

Agreement (collectively, the "**Consultant's Claims**"), the Consultant shall be treated as an unaffected creditor in the context of the present proceedings and in any proposal.

15. **THIS COURT ORDERS** that notwithstanding the terms of any order issued by this Court in the context of the present proceedings or the terms of the BIA, NW Canada shall not be entitled to disclaim or resiliate the Consulting Agreement or any of the agreements, contracts or arrangements in relation thereto entered into with the Consultant.

16. **THIS COURT ORDERS** that NW Canada is hereby authorized to remit, in accordance with the Consulting Agreement, all amounts that become due to the Consultant thereunder.

17. **THIS COURT ORDERS** that no Claims shall attach to any amounts payable by NW Canada to the Consultant pursuant to the Consulting Agreement, including any amounts that must be reimbursed by NW Canada to the Consultant, and NW Canada shall pay any such amounts to the Consultant free and clear of all Claims, notwithstanding any enforcement or other process, all in accordance with the Consulting Agreement.

18. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of Applicants or any bankruptcy order made pursuant to any such applications; (c) any assignment in bankruptcy made in respect of the Applicants; (d) the provisions of any federal or provincial statute; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement (collectively, the "**Agreement**") which binds the Applicants:

- (a) the Consulting Agreement and the transactions and actions provided for and contemplated therein (including the Sale Guidelines), including, without limitation, the payment of amounts due to the Consultant; and
- (b) Assigned Landlord Rights,

shall be binding on any trustee in bankruptcy that may be appointed in respect to the Applicants and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of Applicants, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

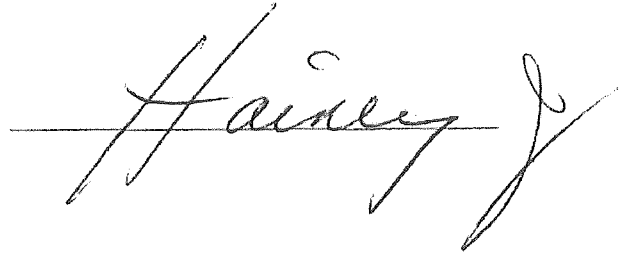
19. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of Applicants or any bankruptcy order made pursuant to any such applications; (c) any assignment in bankruptcy made in respect of the Applicants; (d) the provisions of any federal or provincial statute; or (e) any Agreements which binds the Applicants, any obligation to clean up or repair any of the leased premises contained in this Order or the Sale Guidelines, shall be binding on any trustee in bankruptcy that may be appointed in respect to the Applicants and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of Applicants, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

#### **GENERAL**

20. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effects to this Order and to assist NW Canada, the Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to NW Canada and to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist NW Canada and the Trustee and their respective agents in carrying out the terms of this Order.

22. **THIS COURT ORDERS** that any interested party (including NW Canada and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in cursive script, appearing to read "Hainey", written over a horizontal line. The signature is fluid and extends to the right of the line.

SCHEDULE A  
SALE GUIDELINES

The following procedures shall apply to the Sale to be conducted at the Closing Stores of Nine West Canada LP (the "**Merchant**"). All terms not herein defined shall have the meaning set forth in the Consulting Agreement by and between SB360 Capital Partners, LLC (the "**Consultant**") and the Merchant dated as of April 11, 2018 (the "**Consulting Agreement**").

1. Except as otherwise expressly set out herein, and subject to: (i) the Approval Order or any further Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); or (ii) any subsequent written agreement between the Merchant and the applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant, or (iii) as otherwise set forth herein, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements to which the affected Landlords are privy for each of the affected Closing Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Closing Stores remains open during its normal hours of operation provided for in its respective Lease until the respective Sale Termination Date for such Closing Store. The Sale at the Closing Stores shall end by no later than the Sale Termination Date. With the consent of the Merchant and the Consultant, the Sale Termination Date may be extended to no later than July 31, 2018. Rent payable under the respective Leases shall be paid in accordance with the terms of the Approval Order.
3. The 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 Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Consultant may advertise the Sale at the Closing Stores as an "everything on sale", an "everything must go", a "store closing" or similar theme sale at the Closing Stores (provided however that no signs shall advertise the 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, the Landlord's counsel, the Merchant or the Monitor, the Consultant shall provide the proposed signage packages along with the proposed dimensions and number of signs (as approved by the Merchant pursuant to the Consulting Agreement) by e-mail or facsimile to the applicable Landlords or to their counsel of record. The Consultant 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 Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Closing Stores or enclosed mall Closing Stores with a separate entrance from the exterior of the enclosed mall, provided, however, that where such banners are not explicitly

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 NOI proceedings (the "Service List"). Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Closing Store and shall not be wider than the premises occupied by the affected Closing Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Closing Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant. If a Landlord is concerned with "store closing" signs being placed in the front window of a Closing Store or with the number or size of the signs in the front window, the Consultant and the Landlord will discuss the Landlord's concerns and work to resolve the dispute. The Consultant shall not utilize any commercial trucks to advertise the Sale on the mall premises.

5. The Consultant 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 Consultant shall not make any alterations to interior or exterior Closing 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 guidelines, shall not constitute an alteration to a Closing Store.
7. Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final".
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Closing Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Closing Store is located. Otherwise, the Consultant may solicit customers in the Closing Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Sale in each Closing Store, the Merchant shall arrange that the premises for each Closing Store are in "broom-swept" and clean condition, and shall arrange that the Closing Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Closing Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E which for clarity is owned by the Merchant) 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 Closing Store after the Sale Termination Date in respect of which the applicable Lease has been disclaimed by the Merchant 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 paragraph 9 above, the Consultant may sell FF&E which is located in the Closing Stores during the Sale. The Merchant and the Consultant may advertise the sale of FF&E consistent with these 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 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 Closing Store during store business hours if the FF&E can fit in a shopping bag, with applicable Landlord's supervision as required by the applicable Landlord. The Consultant shall repair any damage to the Closing Stores resulting from the removal of any FF&E by Consultant or by third party purchasers of FF&E from Consultant.
11. The Merchant hereby provides notice to the Landlords of the Merchant and the Consultant's intention to sell and remove FF&E from the Closing Stores. The Consultant 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 Consultant to identify the FF&E subject to the sale. The relevant Landlord shall be entitled to have a representative present in the Closing Store to observe such removal. If the Landlord disputes the Consultant'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 Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) days' notice to such Landlord. If the Merchant has disclaimed or resiliated the Lease governing such Closing Store in accordance with the BIA, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the BIA), and the disclaimer or resiliation of the Lease shall be without prejudice to the Merchant's or Consultant's claim to the FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the BIA to a Landlord while the Sale is ongoing and the Closing Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the applicable Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Merchant and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Closing Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant in respect of such Lease or Closing Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.
13. The Consultant and its agents and representatives shall have the same access rights to the Closing Stores as the Merchant under the terms of the applicable Lease, and the applicable Landlords shall have the rights of access to the Closing Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).

14. The Merchant and the Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Closing Stores.
15. The Consultant shall be entitled to include additional merchandise in the Sale; provided that (a) the additional merchandise is currently in the possession of the Applicants (including in its warehouse located in Ontario) or has previously been ordered by the Applicants and is currently in transit to the Applicants; and (b) the additional merchandise is of like kind and category and no lesser quality to the Merchandise, and consistent with any restriction on usage of the Closing Stores set out in the applicable Leases.
16. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Aaron Miller who may be reached by phone at 781-439-5119 or email at amiller@360merchants.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant 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 Consultant 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 Consultant shall not be required to take any such banner down pending determination of the dispute.
17. 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.
18. These Sale Guidelines may be amended by written agreement between the Merchant, the Consultant 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 THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP

Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding commenced at Toronto

LIQUIDATION PROCESS ORDER

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Lawyers for the Applicants

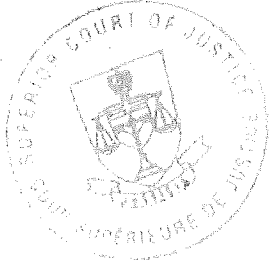
# APPENDIX C

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE  
JUSTICE HAINES

)  
)  
)

TUESDAY, THE 19<sup>TH</sup>  
DAY OF JUNE, 2018



Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Applicants

ORDER  
(Re Extension of Proposal Period et al.)

THIS MOTION made by Jones Canada, Inc. ("Jones Canada") and Nine West Canada LP ("NW Canada" and, together with Jones Canada, the "Applicants") pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "BIA") for an order, among other things, extending the time for filing a proposal (the "Proposal Period") pursuant to s. 50.4(9) of the BIA, and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn June 12, 2018 and exhibits thereto (the "Schipani Affidavit"), the First Report dated April 9, 2018 (the "First Report") of Richter Advisory Group Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the "Proposal Trustee"), and the confidential appendices thereto, filed, the Second Report (the "Second Report") of the Proposal Trustee dated June 12, 2018 and the appendices thereto, filed, and on hearing the submissions of respective counsel for the Applicants, the Proposal Trustee, and such other counsel as were

present, no one else appearing although duly served as appears from the Affidavits of Service of Sanja Sopic sworn June 13, 2018, filed;

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Second Report is hereby abridged and validated so that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

#### **STAY EXTENSION**

2. **THIS COURT ORDERS** that the Proposal Period is hereby extended in accordance with subsection 50.4(9) of the BIA, to and including August 3, 2018.

#### **APPROVAL OF PROPOSAL TRUSTEE'S REPORTS**

3. **THIS COURT ORDERS** that the First Report and the Second Report and the activities of the Proposal Trustee described therein are hereby approved.

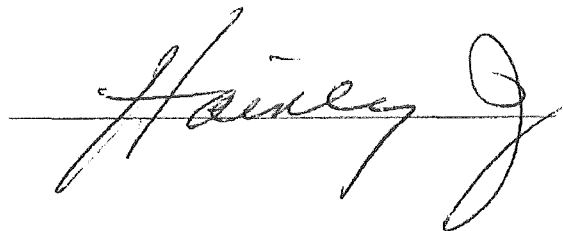
#### **APPROVAL OF FEES**

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee for the period from February 21, 2018 to June 2, 2018 and those of the Proposal Trustee's counsel, Aird & Berlis LLP, for the period from February 23, 2018 to June 10, 2018 are hereby approved.

#### **GENERAL**

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and

administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Applicants and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Hainey", written over a horizontal line.

~~ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:~~

~~JUN 19 2018~~

~~PER / PAR:~~

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding commenced at Toronto

---

ORDER  
(Re Extension of Proposal Period et al.)

---

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Sanja Sopic LSUC#: 66487P  
Tel: (416) 869-6825

Lawyers for the Applicants

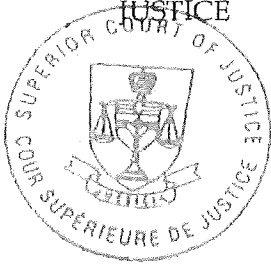


# APPENDIX D

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR. )  
JUSTICE DOW )

THURSDAY, THE 2<sup>ND</sup>  
DAY OF AUGUST, 2018



Estate/Court File No. 31-2363758  
Estate/Court File No. 31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Applicants

ORDER  
(Re Extension of Proposal Period et al.)

THIS MOTION made by Jones Canada, Inc. ("Jones Canada") and Nine West Canada LP ("NW Canada" and, together with Jones Canada, the "Applicants") pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "BIA") for an order extending the time for filing a proposal (the "Proposal Period") pursuant to s. 50.4(9) of the BIA, and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn July 26, 2018 and exhibits thereto (the "Schipani Affidavit"), the Third Report (the "Third Report") of Richter Advisory Group Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the "Proposal Trustee") dated July 27, 2018 and the appendices thereto, filed, and on hearing the submissions of respective counsel for the Applicants, the Proposal Trustee, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Sanja Sopic sworn July 27, 2018, filed;

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Third Report is hereby abridged and validated so that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

## **STAY EXTENSION**

2. **THIS COURT ORDERS** that the Proposal Period is hereby extended in accordance with subsection 50.4(9) of the BIA, to and including September 17, 2018.

## **APPROVAL OF PROPOSAL TRUSTEE'S REPORT**

3. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee described therein are hereby approved.

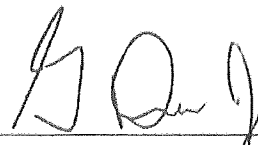
## **APPROVAL OF FEES**

4. **THIS COURT ORDERS** that the *fees and disbursements of the Proposal Trustee* for the period from June 3, 2018 to July 20, 2018 and those of the Proposal Trustee's counsel, Aird & Berlis LLP, for the period from June 11, 2018 to July 17, 2018 are hereby approved.

## **GENERAL**

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the

Proposal Trustee in any foreign proceeding, or to assist the Applicants and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

  
\_\_\_\_\_  
G. DOW, J.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

AUG 02 2018

PER / PAR:



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Estate/Court File No. 31-2363758

Estate/Court File No. 31-2363759

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding commenced at Toronto

ORDER  
(Re Extension of Proposal Period et al)

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Sanja Sopic LSUC#: 66487P  
Tel: (416) 869-6825

Lawyers for the Applicants

# APPENDIX E

**Estate/Court File No. 31-2363758**

**Estate/Court File No. 31-2363759**

**JONES CANADA, INC. AND NINE WEST CANADA LP**

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP**

**July 27, 2018**

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APPENDIX "E" – AFFIDAVIT OF ADAM SHERMAN OF RICHTER ADVISORY GROUP INC., SWORN JULY 27, 2018

APPENDIX "F" – AFFIDAVIT OF IAN AVERSA OF AIRD & BERLIS LLP, SWORN JULY 27, 2018



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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP**

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP**

**July 27, 2018**

**I. INTRODUCTION**

1. This report (the **"Third Report"**) is filed by Richter Advisory Group Inc. (**"Richter"**) in its capacity as proposal trustee (in such capacity, the **"Proposal Trustee"**) in connection with the Notices of Intention to Make a Proposal (**"NOIs"**) filed by Jones Canada, Inc. (**"Jones Canada"**) and Nine West Canada LP (**"NW Canada LP"**), and together with Jones Canada, the **"NW Canada Entities"**).
2. On April 6, 2018 (the **"Filing Date"**), the NW Canada Entities each filed a NOI pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the **"BIA"**) and Richter was named as Proposal Trustee under each NOI (the **"NOI Proceedings"**). On the Filing Date, the NW Canada Entities' U.S. parent companies (the **"NW US Entities"**), and together with the NW Canada Entities, the **"NW Entities"**) – whose ultimate parent is Jasper Parent LLC – filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the **"Chapter 11 Proceedings"**).
3. The Proposal Trustee understands that no relief has been sought in the Chapter 11 Proceedings with respect to the NW Canada Entities. Similarly, no relief has been sought in the NOI Proceedings with respect to the NW US Entities, save and except for certain cash management provisions granted in the Administration Order (as hereinafter defined) and relief regarding the use of certain licensed trademarks.

4. As described in the Proposal Trustee's first report dated April 9, 2018 (the "**First Report**"), prior to the commencement of the Chapter 11 Proceedings, and following a comprehensive sale and marketing process of the Nine West brand and associated brands undertaken with the guidance and assistance of Lazard Freres & Co. LLC and Consensus Advisors LLC, certain of the NW US Entities entered into an asset purchase agreement (the "**Stalking Horse APA**") with Authentic Brands Group LLC ("**ABG**"), with Marc Fisher Footwear as ABG's operating partner, for, among other things, the sale of the Nine West brand, certain associated brands and certain working capital assets.
5. Although the Stalking Horse APA ensured the viability of the Nine West brand to consumers, and although the Stalking Horse Sales Process (as hereinafter defined) provided a forum for prospective purchasers to present one or more bid(s) superior to that contemplated by the Stalking Horse APA, the Stalking Horse APA did not provide for ongoing retail or wholesale operations in Canada. More specifically, the transaction contemplated by the Stalking Horse APA, expressly excluded the Canadian assets, and the Proposal Trustee understands that ABG was not prepared (and did not intend) to license the Nine West brand and associated brands to the NW Canada Entities should the proposed transaction with ABG close.
6. In connection with the above and as also noted in the First Report, the Proposal Trustee understands that throughout the NW US Entities' extensive marketing process, no parties presented with the opportunity expressed an interest in the Canadian operations or an interest in continuing to license the Nine West brands to the NW Canada Entities. As such, continuing the NW Canada Entities as a going concern did not appear to be an option.
7. On April 11, 2018, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order (the "**Administration Order**") which, among other things:
  - (i) approved the administrative and substantive consolidation of the NOI Proceedings, and authorized the Proposal Trustee to administer the NOI Proceedings as if they were a single proceeding;
  - (ii) authorized the NW Canada Entities to continue using their existing cash management system, provided that no amounts be directed to the NW US Entities in repayment of any intercompany amounts;
  - (iii) approved the key employee retention agreement (the "**KERA**"); and
  - (iv) granted an extension of the time within which the NW Canada Entities were required to file a proposal (the "**Proposal Period**") to June 20, 2018.

A copy of the Administration Order is attached hereto as **Appendix "A"**.

8. On April 11, 2018, the Court also issued an order (the "**Liquidation Process Order**") which, among other things:
- (i) approved the consultation agreement (the "**Consulting Agreement**") between the NW Canada Entities and SB360 Capital Partners LLC (the "**Consultant**"), pursuant to which the Consultant is to assist with the liquidation of all owned inventory, and furniture, fixtures and equipment ("**FF&E**") at the NW Canada Entities' thirty-five (35) retail locations (the "**Liquidation Sale**"), in accordance with the sale guidelines (the "**Sale Guidelines**") appended to the Liquidation Process Order; and
  - (ii) authorized and directed the NW Canada Entities, with the assistance of the Consultant, to conduct the Liquidation Sale and to take any and all actions necessary to implement the Consulting Agreement and the transactions contemplated therein.

A copy of the Liquidation Process Order is attached hereto as **Appendix "B"**.

9. On June 19, 2018, the Court issued an order (the "**June 19 Order**") which, among other things, granted an extension of the Proposal Period to August 3, 2018 (the "**June 19 Extension**"). A copy of the June 19 Order is attached hereto as **Appendix "C"**.
10. The purpose of this Third Report is to provide the Court with information pertaining to the following:
- (i) the primary activities of the NW Canada Entities and the Proposal Trustee since June 12, 2018 (the date of the Proposal Trustee's Second Report, the "**Second Report**") to the date of this Third Report;
  - (ii) the Liquidation Sale;
  - (iii) the KERA;
  - (iv) the NW Canada Entities' reported receipts and disbursements for the period from April 8, 2018 to July 14, 2018, including a comparison of reported to forecasted results;
  - (v) the status of the D&O Trust (as hereinafter defined);
  - (vi) the results of the Stalking Horse Sales Process conducted by the NW US Entities;
  - (vii) the NW Canada Entities' request for an extension of the Proposal Period to September 17, 2018, including the NW Canada Entities' revised consolidated cash flow forecast for the period from July 15, 2018 to September 22, 2018 (the "**July 15 Cash Flow Forecast**"); and

- (viii) the Proposal Trustee's recommendation that this Court make an order, as requested by the NW Canada Entities:
- (a) approving the extension of the Proposal Period to September 17, 2018;
  - (b) approving the Proposal Trustee's fees and disbursements for the period from June 3, 2018 to July 20, 2018 and those of the Proposal Trustee's counsel, Aird & Berlis LLP ("**Aird & Berlis**"), for the period from June 11, 2018 to July 17, 2018; and
  - (c) approving the Third Report, as well as the activities, actions and conduct of the Trustee set out herein.

## II. TERMS OF REFERENCE

11. Unless otherwise noted, all monetary amounts contained in this Third Report are expressed in Canadian dollars.
12. In preparing this Third Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information prepared by representatives of the NW Canada Entities, the NW Canada Entities' books and records and discussions with representatives of the NW Canada Entities and the NW Canada Entities' legal counsel (collectively, the "**Information**").
13. Except as otherwise described in this Third Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
14. Future-oriented financial information relied upon in this Third Report is based on the NW Canada Entities' representatives' assumptions regarding future events; actual results achieved may vary from the information presented even if the hypothetical assumptions occur and these variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether projections will be achieved.

### III. THE ACTIVITIES OF THE NW CANADA ENTITIES

15. Since the date of the Second Report, the activities of the NW Canada Entities have included:

- (i) meeting and communicating with the NW Canada Entities' employees regarding the NOI Proceedings;
- (ii) communicating with key suppliers to secure services during the NOI Proceedings and to address payment terms;
- (iii) responding to calls and enquiries from creditors and other stakeholders regarding the NOI Proceedings;
- (iv) making payments to suppliers for goods and/or services received following the Filing Date;
- (v) recovering deposits securing the payment of post-filing goods/services provided to the NW Canada Entities held by certain trade creditors upon termination of services;
- (vi) recovering on accounts receivables;
- (vii) reporting receipts and disbursements;
- (viii) collaborating with the Consultant regarding the sale of the NW Canada Entities' assets and FF&E located at the NW Canada Entities' retail locations, head office and third-party distribution centre;
- (ix) allocating all remaining inventory located at the NW Canada Entities' third-party distribution centre to various retail locations and terminating the contract/vacating the third-party distribution centre at the end of June 2018;
- (x) finalizing the Liquidation Sale at all of the NW Canada Entities' retail locations;
- (xi) vacating the NW Canada Entities' retail store locations in accordance with the Liquidation Process Order. The Proposal Trustee understands that all 35 retail store leases were disclaimed effective on or before June 30, 2018;
- (xii) disclaiming the NW Canada Entities' head office lease effective August 11, 2018;
- (xiii) corresponding and communicating with the NW US Entities, primarily with respect to cash management and the Chapter 11 Proceedings;
- (xiv) consulting with the Proposal Trustee regarding the disclaimer of certain third-party agreements and commercial leases;

- (xv) administering the KERA and terminating certain head office and retail store employees in connection with the planned wind-down of the NW Canada Entities' operations. As at the date of this Third Report, the Proposal Trustee understands that with the exception of six (6) head office employees necessary to conclude the wind-down of operations, all other retail and head office employees have been terminated;
- (xvi) consulting with the Proposal Trustee in connection with the preparation of the July 15 Cash Flow Forecast;
- (xvii) corresponding with Canada Revenue Agency ("**CRA**") and the Proposal Trustee in connection with CRA's planned audit of certain of the NW Canada Entities' provincial sales tax filings (HST/GST);
- (xviii) communicating with the Proposal Trustee, the NW Canada Entities' counsel and the NW US Entities on various matters in connection with the NOI Proceedings, including proposal considerations; and
- (xix) preparing a draft proposal to creditors, including various communications with the NW US Entities and the Proposal Trustee in connection with same.

#### **IV. THE PROPOSAL TRUSTEE'S ACTIVITIES**

16. The Proposal Trustee's activities since the date of the Second Report have included:

- (i) maintaining a website at <https://www.richter.ca/en/folder/insolvency-cases/n/Nine-West-Canada-LP>, where all materials filed with the Court and all orders made by the Court, in connection with the NOI Proceedings, are available in electronic form;
- (ii) monitoring the NW Canada Entities' cash flows and reporting on any variances to the NW Canada Entities' cash flow forecast;
- (iii) assisting the NW Canada Entities with the preparation of the July 15 Cash Flow Forecast;
- (iv) attending frequently at the NW Canada Entities' head office, including meetings with the NW Canada Entities' management ("**Management**") to discuss the NW Canada Entities' operations and the NOI Proceedings;
- (v) communicating extensively with the NW US Entities, the NW Canada Entities and their counsel on cash management and various other matters in connection with the NOI Proceedings, including proposal considerations;

- (vi) communicating with certain landlords (and/or their counsel) regarding the terms of the Consulting Agreement, the Sale Guidelines and the Liquidation Sale;
- (vii) corresponding and communicating extensively with the Consultant regarding the Liquidation Sale;
- (viii) consulting with the NW Canada Entities regarding, and ultimately approving, the NW Canada Entities' disclaimer of certain third-party agreements;
- (ix) corresponding with CRA and Management in connection with CRA's planned audit of certain of the NW Canada Entities' provincial sales tax filings (HST/GST);
- (x) establishing and uploading information to a virtual data room to assist/support the NW Canada Entities with their efforts to monetize the Remaining Assets (as hereinafter defined);
- (xi) responding to calls and enquiries from creditors and other stakeholders regarding the NOI Proceedings; and
- (xii) preparing this Third Report.

## **V. THE LIQUIDATION SALE**

17. The Liquidation Sale commenced on April 14, 2018 and concluded on June 30, 2018, in accordance with the terms of the Consulting Agreement.
18. The Consulting Agreement provided that the NW Canada Entities, at their discretion, may include additional owned inventory for sale through the NW Canada Entities' retail locations, as part of the Liquidation Sale. The Proposal Trustee understands that the majority of the NW Canada Entities' owned wholesale inventory was sold through existing wholesale channels. Any remaining wholesale inventory was allocated to various retail stores and sold in the Liquidation Sale.
19. In accordance with the Consulting Agreement, the Consultant assisted the NW Canada Entities in selling any owned FF&E located at the NW Canada Entities' retail stores for a fee of fifteen percent (15%) of gross proceeds realized therefrom. As noted in the Second Report, subsequent to the execution of the Consulting Agreement, the Consultant and the NW Canada Entities mutually agreed that the Consultant would also assist in selling any owned FF&E located at the NW Canada Entities' head office and its third-party distribution centre in line with the terms of the Consulting Agreement. The Proposal Trustee understands that approximately \$100,000 was realized from the sale of the NW Canada Entities' FF&E.

20. The terms of the Consulting Agreement provided that the NW Canada Entities were responsible for all reasonable costs and expenses in connection with the Liquidation Sale, including certain Consultant-controlled costs, which were subject to an agreed-upon budget (the “**Budget**”). As recoveries from the Liquidation Sale exceeded initial projections, and in an effort to manage the higher than anticipated foot traffic at certain retail stores, the Consultant and the NW Canada Entities mutually agreed to increase certain expenses subject to the Budget to ensure appropriate store operations and support during the Liquidation Sale. The Proposal Trustee understands that notwithstanding the increased expenses, the Consultant-controlled costs did not exceed the amounts stipulated within the Budget.
21. Since the commencement of the Liquidation Sale, the Consultant has been paid its fees and reimbursable costs on a weekly basis. As at the date of this Third Report, the final settlement of the Consultant’s fees and reimbursable costs has been completed and agreed to by the NW Canada Entities with final payment to the Consultant (and reimbursement of the NW Canada Entities’ deposit held by the Consultant) expected to be made prior to the end of July 2018.

## **VI. REMAINING ASSETS**

22. As at the date of the Third Report, and following the conclusion of the Liquidation Sale, the NW Canada Entities are left with limited (and primarily intangible) assets (the “**Remaining Assets**”), including internet domain names and customer lists.
23. The NW Canada Entities, in consultation with the Proposal Trustee, are currently considering options/alternatives to monetize the Remaining Assets.

## **VII. KERA**

24. As detailed in the First Report, the KERA was developed to ensure retention of key personnel (the “**KERA Employees**”) through the completion of the Liquidation Sale and the NOI Proceedings. The KERA provided for payments to the KERA Employees in the maximum aggregate amount of \$100,000 (the “**Maximum KERA Amount**”). At the time the KERA was approved by the Court, approximately \$75,000 of the Maximum KERA Amount had been allocated, with an additional \$25,000 set aside for any future allocation to KERA Employees.
25. The KERA provides for retention payments to be paid to each of the KERA Employees at specific dates during the NOI Proceedings (depending on the nature of the specific KERA Employees’ roles and tasks). In order to receive payments pursuant to the KERA, among other things, the KERA Employees must remain employed by the NW Canada Entities on the date their KERA entitlement becomes payable (or such earlier date at the discretion of the NW Canada Entities).



26. As outlined in the Second Report, due to certain employee departures and other staffing developments during the NOI Proceedings, the NW Canada Entities, in consultation with the Proposal Trustee, made certain changes to the allocation of the Maximum KERA Amount. As at the date of this Third Report, the Proposal Trustee understands that approximately \$8,500 of the Maximum KERA Amount has been paid to KERA Employees. As set out in the Second Report, given the NW Canada Entities' circumstances, the Proposal Trustee is of the view that the changes to the allocation of the Maximum KERA Amount are appropriate and reasonable.

### VIII. CASH FLOW FOR THE PERIOD FROM APRIL 8, 2018 TO JULY 14, 2018

27. The NW Canada Entities' consolidated cash flow projection for the period from June 3, 2018 to August 4, 2018 (the "June 3 Cash Flow Forecast") was filed with the Court in support of the NW Canada Entities' motion returnable June 19, 2018 seeking, *inter alia*, an extension of the Proposal Period.
28. A comparison of the NW Canada Entities' projected to reported results for the period ending July 14, 2018 is summarized as follows:

<b>Cash Flow Variance Analysis</b>			
<b>For the Period from April 8 to July 14, 2018</b>			
<b>(\$000's)</b>			
	<b>Reported</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>			
Retail + FF&E sales	\$ 18,246	\$ 13,376	\$ 4,870
Wholesale AR collections	3,084	1,921	1,163
	<b>21,330</b>	<b>15,297</b>	<b>6,033</b>
<b>Disbursements</b>			
Payroll	(2,340)	(2,095)	(245)
Rent	(1,503)	(1,700)	197
General expenses and other	(1,221)	(1,719)	498
Freight, storage & fulfillment	(669)	(705)	35
GST/HST remitted	(1,464)	(1,107)	(357)
HST on expenses	(323)	(400)	77
Supplier & other deposits	(176)	(277)	100
KERA	(9)	(11)	2
Foreign exchange	7	-	7
	<b>(7,698)</b>	<b>(8,013)</b>	<b>314</b>
<b>Other Disbursements</b>			
Restructuring fees	(749)	(1,124)	375
	<b>12,882</b>	<b>6,160</b>	<b>6,722</b>
<b>Net Cash Flow</b>			
Opening cash	2,793	2,793	-
Net cash flow	12,882	6,160	6,722
	<b>\$ 15,675</b>	<b>\$ 8,953</b>	<b>\$ 6,722</b>
<b>Ending Cash</b>			

29. As reflected in the summary table above, the NW Canada Entities reported positive net cash flow of approximately \$12.8 million and the NW Canada Entities' had a cash balance of approximately \$15.7 million, as at July 14, 2018. The reported cash balance is approximately \$6.7 million higher than forecast.
30. The principal reasons for the favourable cash flow variance of approximately \$6.7 million include:
- (i) stronger than projected results from the Liquidation Sale, partially offset by increased payroll and other variable costs that helped drive the strong sales performance;
  - (ii) greater overall realization on accounts receivable from wholesale customers for sales made prior to the Filing Date; and
  - (iii) lower than anticipated general expenses required to maintain central services in support of the Liquidation Sale.

#### **IX. D&O TRUST**

31. Immediately prior to the Filing Date, the NW Canada Entities set aside funds (received through secured intercompany advances) in a trust (the “**D&O Trust**”) to ensure there would be sufficient funds to cover payment of the NW Canada Entities' estimated pre-filing GST/HST liability, employee source deductions, payroll and accrued vacation pay liabilities (the “**D&O Claims**”). At the request of Jones Canada (the settlor of the D&O Trust), and as set out in the Second Report, Richter replaced the former trustee under the D&O Trust (in accordance with its terms) following the Filing Date and took possession of the funds supporting same.
32. The terms of the D&O Trust provide that amounts may only be paid from the D&O Trust at the request of the NW Canada Entities' directors and officers. As at the date of this Third Report, no funds have been released from the D&O Trust; any payments of pre-filing GST/HST or employee amounts to date have been funded directly from the NW Canada Entities' operating cash. The Proposal Trustee understands that the NW Canada Entities intend for any D&O Claims paid directly out of the NW Canada Entities' operating funds to be reimbursed to the NW Canada Entities out of the D&O Trust.

#### **X. THE NW US ENTITIES' SALES PROCESS**

33. As noted in the Second Report, the NW US Entities sought and obtained an order approving the Stalking Horse APA and the associated stalking horse bidding procedures, thereby providing a forum for prospective purchasers to present one or more bids superior to that contemplated by the Stalking Horse APA (collectively, the “**Stalking Horse Sales Process**”). The Stalking Horse Sales Process was approved by the U.S.

Bankruptcy Court on May 5, 2018, and provided, *inter alia*, that should any additional bids be received by June 4, 2018 (the "US Bid Deadline"), an auction would be held on June 8, 2018 (the "Auction").

34. The Proposal Trustee understands one (1) additional bid was submitted by the US Bid Deadline and that the Auction concluded with ABG having submitted a revised bid, which was selected as the winning bid at the Auction.
35. The Proposal Trustee has been advised that the sale of the NW US Entities' assets to ABG closed in early July 2018.

**XI. NW CANADA ENTITIES' REQUEST TO EXTEND THE PROPOSAL PERIOD TO SEPTEMBER 17, 2018**

36. The current Proposal Period expires on August 3, 2018. The NW Canada Entities are seeking an extension of the Proposal Period to September 17, 2018.
37. As the June 3 Cash Flow Forecast only runs until August 4, 2018, the NW Canada Entities, with the assistance of the Proposal Trustee, have prepared the July 15 Cash Flow Forecast, a copy which is attached hereto as Appendix "D" and is summarized below:

<b>Cash Flow Forecast for Period from July 15 to September 22, 2018</b>	
<b>(\$000's)</b>	
<b>Receipts</b>	
Recovery of deposits	\$ 190
Wholesale AR & other collections	176
	366
<b>Disbursements</b>	
GST/HST remitted & collected	(515)
Payroll	(98)
General expenses and other	(238)
Rent	(79)
HST on expenses	(84)
KERA	(44)
	(1,058)
<b>Other disbursements</b>	
Restructuring Fees	(410)
<b>Net Cash Flow</b>	<b>\$ (1,102)</b>
Opening Cash	15,675
Net Cash Flow	(1,102)
<b>Ending Cash</b>	<b>\$ 14,573</b>

38. As the Liquidation Sale has been completed and the NW Canada Entities have already vacated all of their retail locations and terminated all but a few key head office employees essential to concluding the orderly wind-down of the NW Canada Entities' operations, the July 15 Cash Flow Forecast, assumes the continued collection of the limited remaining amounts due to NW Canada' Entities and the payment of those costs necessary to wind-down operations and present a proposal to creditors.
39. The July 15 Cash Flow Forecast indicates that the NW Canada Entities will have sufficient liquidity to fund both operating costs and the costs of these NOI Proceedings during the extension of the Proposal Period, if granted.
40. The Proposal Trustee is of the view that the extension of the Proposal Period is appropriate in the circumstances and supports the NW Canada Entities' request for the extension of the Proposal Period for the following reasons:
  - (i) the NW Canada Entities have been and are acting in good faith and with due diligence in taking steps to monetize their assets for the benefit of their stakeholders;
  - (ii) the granting of the extension should not prejudice or adversely affect any group of creditors;
  - (iii) the July 15 Cash Flow Forecast indicates that the NW Canada Entities will have sufficient liquidity to continue to fund operations and the costs of the NOI Proceedings during the period to September 17, 2018;
  - (iv) the granting of the extension will provide the NW Canada Entities with additional time to seek to monetize the Remaining Assets; and
  - (v) the extension is necessary to provide the NW Canada Entities with additional time to continue discussions with their advisors and key stakeholders regarding the terms of any proposal to be submitted for consideration by the NW Canada Entities' creditors.

## **XI. PROPOSAL TRUSTEE'S AND ITS COUNSEL'S FEES AND DISBURSEMENTS**

41. The Proposal Trustee has reported on the status of the NW Canada Entities' NOI Proceedings, including the actions and activities of the Proposal Trustee in connection thereto, from time to time, in multiple reports to this Court. As detailed in the Proposal Trustee's reports (copies of which are available on the Proposal Trustee's website – see paragraph 16(1)), to the best of the Proposal Trustee's knowledge, the Proposal Trustee has carried out its duties, as set out in the BIA and the various Orders issued by the Court in respect of the NW Canada Entities' NOI Proceedings.

42. The Proposal Trustee and Aird & Berlis have maintained detailed records of their professional time and costs. The Proposal Trustee's fees and disbursements for the period ending June 2, 2018 and Aird & Berlis' fees and disbursements for the period ending June 10, 2018 were previously approved by this Court pursuant to the June 19 Order (see Appendix "C").
43. The Proposal Trustee is seeking the approval of its fees and disbursements for the period from June 3, 2018 to July 20, 2018 (the "**Proposal Trustee Period**") and those of Aird & Berlis for the period from June 11, 2018 to the July 17, 2018 (the "**Aird & Berlis Period**") in connection with the performance of their duties in these NOI Proceedings.
44. The total fees of the Proposal Trustee during the Proposal Trustee Period amounts to \$114,232.00, together with expenses and disbursements in the amount of \$12,449.97 (both amounts excluding HST) (collectively, the "**Proposal Trustee Fees and Disbursements**"). The time spent by the Proposal Trustee's personnel during the Proposal Trustee Period is more particularly described in the Affidavit of Adam Sherman, sworn July 27, 2018 in support hereof and attached as **Appendix "E"** to this Third Report (the "**Sherman Affidavit**"). The Sherman Affidavit includes a summary of the personnel, hours, and hourly rates charged by the Proposal Trustee in respect of the NOI Proceedings for the Proposal Trustee Period. The Sherman Affidavit also provides a breakdown of the disbursements, which include certain of the Aird & Berlis Fees and Disbursements (as hereinafter defined), in the amount of \$12,207.57 (excluding HST). The Aird & Berlis Fees and Disbursements are detailed in the affidavit of Ian Aversa, sworn July 27, 2018 in support hereof and attached as **Appendix "F"** to this Third Report (the "**Aversa Affidavit**").
45. The total fees for services provided by Aird & Berlis during the Aird & Berlis Period amounts to \$8,030.50, together with expenses and disbursements in the amount of \$437.82 (both amounts excluding HST) (collectively, the "**Aird & Berlis Fees and Disbursements**"). As noted above, the time spent by Aird & Berlis' personnel during the Aird & Berlis Period is more particularly described in the Aversa Affidavit (see Appendix "F"). Included in the Aversa Affidavit is a summary of the personnel, hours and hourly rates charged by Aird & Berlis in respect of the NOI Proceedings for the Aird & Berlis Period.
46. The Proposal Trustee respectfully submits that the Proposal Trustee Fees and Disbursements and the Aird & Berlis Fees and Disbursements are fair and reasonable in the circumstances and have been properly incurred. Accordingly, the Proposal Trustee is seeking approval of the Proposal Trustee Fees and Disbursements and the Aird & Berlis Fees and Disbursements.

## XII. CONCLUSION AND RECOMMENDATION

47. Based on all of the foregoing, the Proposal Trustee respectfully recommends that this Court issue an order granting the relief summarized in paragraph 10(viii) of this Third Report.

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

Richter Advisory Group Inc.  
in its capacity as Proposal Trustee of  
Jones Canada, Inc. and Nine West Canada LP

Per:

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

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Adam Sherman, MBA, CIRP, LIT

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC.,  
A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO,  
AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

Applicants

Estate/Court File No. 31-2363758

Estate/Court File No. 31-2363759

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced at Toronto

THIRD REPORT OF RICHTER ADVISORY GROUP  
INC. IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICES OF INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP

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*Lawyers for Richter Advisory Group Inc., in its capacity as the  
proposal trustee of Jones Canada, Inc. and Nine West Canada LP*

# APPENDIX F



Jones Canada, Inc. and Nine West Canada LP  
 Cash Flow Forecast for the Period from September 9, 2018 to November 15, 2018

(5000's) CAD	September 9 - October 8	October 9 - November 8	November 9 - November 15	Total
<b>Receipts</b>				
Recovery of deposits, AR and HST Refund	50	80	20	150
Other Receipts	-	-	410	410
	<u>50</u>	<u>80</u>	<u>430</u>	<u>560</u>
<b>Disbursements</b>				
General expenses and other	(50)	(20)	(10)	(80)
HST on expenses	(16)	(16)	(8)	(39)
	<u>(66)</u>	<u>(36)</u>	<u>(18)</u>	<u>(119)</u>
<b>Other disbursements</b>				
Restructuring Fees	(70)	(100)	(50)	(220)
<b>Net Cash Flow</b>	<u>\$ (86)</u>	<u>\$ (56)</u>	<u>\$ 302</u>	<u>\$ 221</u>
Opening Cash	\$ 14,805	\$ 14,719	\$ 14,664	\$ 14,805
Net Cash Flow	(86)	(56)	302	221
<b>Ending Cash</b>	<u>\$ 14,719</u>	<u>\$ 14,664</u>	<u>\$ 15,026</u>	<u>\$ 15,026</u>

The projected statement of cash flow has been prepared pursuant to the requirements of section 50(6)(a) of the *Bankruptcy and Insolvency Act* and are solely for that purpose.

Dated this 14th day of September, 2018.

James C. ...  
 Nine West Canada LP

President  
 Title of Signing Officer

Ralph Schipani  
 Name of Signing Officer

The projected statement of cash flow has been prepared pursuant to the requirements of section 50(6)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the the Report on Cash-Flow Statement by the Person Making the Proposal dated the 14th day of September, 2018.

Richter Advisory Group Inc.  
 Per   
 Adam Stenon, MBA, CFP, LIT

Estate No.: 31-2363759

FORM 29  
Trustee's Report on Cash-Flow Statement  
(Paragraph 50(6)(b) of the Act)

In the Matter of the Proposal of  
Jones Canada, Inc and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario

The attached statement of projected cash flow of Jones Canada, Inc. and Nine West Canada LP, as of the 14<sup>th</sup> day of September, 2018, consisting of the period from September 9, 2018 to November 15, 2018, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto, in the Province of Ontario, this 14th day of September 2018.

**Richter Advisory Group Inc. – Licensed Insolvency Trustee**

Per:



---

Adam Sherman, MBA, CIRP, LIT  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ON M5J 2T3  
Phone: 416.488.2305 Fax: 416.488.3765

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-2363759  
Estate No.: 31-2363759

FORM 29 – ATTACHMENT  
Trustee's Report on Cash-Flow Statement  
(Paragraph 50(6)(b) of the Act)

In the Matter of the Proposal of  
Jones Canada, Inc and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario

**Purpose:**

Jones Canada, Inc. and Nine West Canada LP (together, the "Companies") each filed a Notice of Intention to Make a Proposal ("NOI") on April 6, 2018. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated April 11, 2018, the Companies' NOI proceedings were administratively and substantively consolidated such that the Companies were authorized to advance the Companies' NOI proceedings as a single proceeding.

The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Companies for the period from September 9, 2018 to November 15, 2018, relating to the filing of a Proposal on September 14, 2018.

This Statement of Projected Cash Flow has been prepared by management on September 14, 2018 based on available financial information at that date in accordance with Section 50(6)(c) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Companies for the period from September 9, 2018 to November 15, 2018, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

**(a) General Assumptions**

As the Companies have completed the liquidation / wind-down of active business operations, the projected cash flow has been prepared to reflect any residual receipts and disbursements anticipated by the Companies given their current level of operations and activities to advance the Companies' Proposal.

(b) Projected Cash Receipts

The projected cash receipts are estimated by management, based on the anticipated collection of remaining amounts due to the Companies or the receipt of any surplus funds held in trust for the benefit of the directors / officers of Nine West Canada LP.

(c) Projected Cash Disbursements

The projected cash disbursements are based on management's estimate of the remaining amounts to be paid for known and / or anticipated services rendered subsequent to the NOI filing date to advance the Companies' Proposal.

Dated at the City of Toronto, in the Province of Ontario, this 14<sup>th</sup> day of September, 2018.

**Richter Advisory Group Inc. – Licensed Insolvency Trustee**

Per:



---

Adam Sherman, MBA, CIRP, LIT  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ON M5J 2T3  
Phone: 416.488.2305 Fax: 416.488.3765

Estate No.: 31-2363759

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraph 50(6)(c) of the Act)

In the Matter of the Proposal of  
Jones Canada, Inc and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario

The management of Jones Canada, Inc. and Nine West Canada LP (together, the "Companies") have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14<sup>th</sup> day of September, 2018, consisting of the period from September 9, 2018 to November 15, 2018.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of New York, in the State of New York, this 14<sup>th</sup> day September, 2018.

  
\_\_\_\_\_  
Jones Canada, Inc  
Nine West Canada LP

Ralph Schipani, President  
Name and title of signing officer

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-2363759  
Estate No.: 31-2363759

- FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraph 50(6)(c) of the Act)

In the Matter of the Proposal of  
Jones Canada, Inc and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario

**Purpose:**

Jones Canada, Inc. and Nine West Canada LP (together, the "**Companies**") each filed a Notice of Intention to Make a Proposal ("**NOI**") on April 6, 2018. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated April 11, 2018, the Companies' NOI proceedings were administratively and substantively consolidated such that the Companies were authorized to advance the Companies' NOI proceedings as a single proceeding.

The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Companies for the period from September 9, 2018 to November 15, 2018, relating to the filing of a Proposal on September 14, 2018.

This Statement of Projected Cash Flow has been prepared by management on September 14, 2018 based on available financial information at that date in accordance with Section 50(6)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Companies for the period from September 9, 2018 to November 15, 2018, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

(a) General Assumptions

As the Companies have completed the liquidation / wind-down of active business operations, the projected cash flow has been prepared to reflect any residual receipts and disbursements anticipated by the Companies given their current level of operations and activities to advance the Companies' Proposal.

(b) Projected Cash Receipts

The projected cash receipts are estimated by management, based on the anticipated collection of remaining amounts due to the Companies or the receipt of any surplus funds held in trust for the benefit of the directors / officers of Nine West Canada LP.

(c) Projected Cash Disbursements

The projected cash disbursements are based on management's estimate of the remaining amounts to be paid for known and / or anticipated services rendered subsequent to the NOI filing date to advance the Companies' Proposal.

Dated at the City of New York, in the State of New York, this 14<sup>th</sup> day of September, 2018.

  
\_\_\_\_\_  
**Jones Canada, Inc**  
**Nine West Canada LP**

**Ralph Schipani, President**  
\_\_\_\_\_  
**Name and title of signing officer**

# APPENDIX G



September 24, 2018

Estate Nos. 31-2363758 / 31-2363759

**Notice of Proposal to Creditors**  
(Section 51 of the Act)

**In the Matter of the Proposal of  
Jones Canada, Inc. and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario**

**To the Creditors of Jones Canada, Inc. and Nine West Canada LP**

Take notice that on April 6, 2018, Jones Canada, Inc. ("**Jones Canada**") and Nine West Canada LP ("**NW Canada LP**") and together with Jones Canada, the "**NW Canada Entities**", each filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**" or the "**Act**"). Richter Advisory Group Inc. was named as trustee under each of the NW Canada Entities' NOI's (the "**Proposal Trustee**").

Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated April 11, 2018, the NW Canada Entities' NOI proceedings were administratively and substantively consolidated such that the NW Canada Entities and the Proposal Trustee were authorized to advance the NW Canada Entities' NOI proceedings as a single proceeding.

On September 14, 2018, the NW Canada Entities filed a proposal (the "**Proposal**") pursuant to section 62 of the Act.

A copy of the Proposal, a condensed statement of the NW Canada Entities assets and liabilities, a list of the creditors affected by the Proposal and the Report of the Trustee on the Proposal are enclosed herewith.

A general meeting of the creditors will be held at Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay St., Toronto ON M5L 1B9 on October 4, 2018 at 11:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the Proposal will be binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.

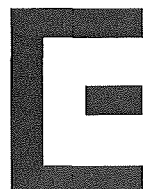
**Richter Advisory Group Inc.**  
**in its capacity as Trustee under the Proposal of**  
**Jones Canada, Inc. and Nine West Canada LP**  
**and not in its Personal Capacity**

T. 416.488.2345 / 1-888-805-1793  
F. 514.934.8603  
[claims@richter.ca](mailto:claims@richter.ca)

Richter Advisory Group Inc.  
181 Bay Street, Suite 3320  
Bay Wellington Tower  
Toronto, ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Montréal, Toronto

(français – recto)



# APPENDIX H

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2363759  
 Estate No. 31-2363759

Original  Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of  
 Jones Canada, Inc and Nine West Canada LP  
 of the City of Toronto  
 in the Province of Ontario

To the debtor:

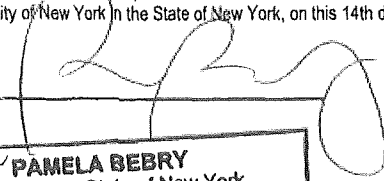
You are required to carefully and accurately complete this form and the applicable attachments showing the state of Jones Canada, Inc and Nine West Canada LP affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 14th day of September 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.


LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" .....	1. Inventory .....
37,545,862.05	0.00
Balance of secured claims as per list "B" .....	2. Trade fixtures, etc. ....
0.00	0.00
Total unsecured creditors .....	3. Accounts receivable and other receivables, as per list "E"
37,545,862.05	Good .....
2. Secured creditors as per list "B" .....	0.00
3,999,268.41	Doubtful .....
3. Preferred creditors as per list "C" .....	0.00
0.00	Bad .....
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for .....	Estimated to produce .....
0.00	150,000.00
Total liabilities .....	4. Bills of exchange, promissory note, etc., as per list "F" ...
41,545,130.46	0.00
Surplus .....	5. Deposits in financial institutions .....
NIL	14,805,261.37
	6. Cash .....
	0.00
	7. Livestock .....
	0.00
	8. Machinery, equipment and plant .....
	0.00
	9. Real property or immovable as per list "G" .....
	0.00
	10. Furniture .....
	0.00
	11. RRSPs, RRIFs, life insurance, etc. ....
	0.00
	12. Securities (shares, bonds, debentures, etc.) .....
	0.00
	13. Interests under wills .....
	0.00
	14. Vehicles .....
	0.00
	15. Other property, as per list "H" .....
	1.00
	If debtor is a corporation, add:
	Amount of subscribed capital .....
	0.00
	Amount paid on capital .....
	0.00
	Balance subscribed and unpaid .....
	0.00
	Estimated to produce .....
	0.00
	Total assets .....
	14,955,262.37
	Deficiency .....
	26,589,868.09

I, Ralph Schipani, of the City of New-York in the State of New York, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of affairs of Jones Canada, Inc and Nine West Canada LP on the 14th day of September 2018 and fully discloses all property of every description that is in the possession of Jones Canada, Inc and Nine West Canada LP or that may devolve on Jones Canada, Inc and Nine West Canada LP in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of New York in the State of New York, on this 14th day of September 2018.

09/15/2018

  
 PAMELA BEBRY  
 Notary Public, State of New York  
 No. 02BE6290929  
 Qualified in New York County  
 Commission Expires October 15, 2021

  
 Ralph Schipani

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2363759  
 Estate No. 31-2363759

FORM 78 – Continued

List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	*US EXCHANGE RATE 1.250	1981 MCGILL COLLEGE MONTREAL QC H3A 0G6	0.00	0.00	0.00
2	20 VIC MANAGEMENT INC.	ONE QUEEN ST. EAST, SUITE 300, BOX 88 TORONTO ON M5C 2W5	1.00	0.00	1.00
3	2487847 ONTARIO INC. O/A WINDSOR CROSSING PREMIUM OUTLETS	170 INDUSTRIAL PARKWAY NORTH, UNIT A1 AURORA ON L4G 4C3	1.00	0.00	1.00
4	ABS INFORMATION SYSTEMS INC	307 LESMILL RD DON MILLS ON M3B 2V1	14,413.60	0.00	14,413.60
5	ACETECH SYSTEMS	4370 STEELES AVE WEST VAUGHAN ON L4L 4Y4	452.00	0.00	452.00
6	ALL LANGUAGES LTD	306-421 BLOOR ST EAST TORONTO ON M4W 3T1	100.57	0.00	100.57
7	ANNA BASAK	#201 4000 SOMERVALE COURT SW CALGARY AB T2Y 4J3	826.47	0.00	826.47
8	AVERY DENNISON RETAIL INFORMATION	15178 COLLECTIONS CENTER DR CHICAGO IL 60693 US	18.43	0.00	18.43
9	BCIMC REALTY CORPORATION	COMMERCE COURT WEST 199 BAY ST., SUITE 4900 TORONTO ON M5L 1G2	333,258.00	0.00	333,258.00
10	BEE CLEAN BUILDING MAINTENANCE	375 NAIRN AVE WINNIPEG MB R2L 0W8	257.07	0.00	257.07
11	BELL CANADA	STATION DON MILLS PO BOX 9000 NORTH YORK ON M3C 2X7	1.00	0.00	1.00
12	BOOT RESCUE INC	100 PINE CREST RD TORONTO ON M6P 3G5	11,017.50	0.00	11,017.50
13	CAINE & WEINER	5805 SEPULVEDA BLVD. SHEMAN OAKS CA 91411 USA	1.00	0.00	1.00
14	CANADA POST CORPORATION	PAYMENT PROCESSING OTTAWA ON K1A 1L7	31,629.93	0.00	31,629.93
15	CANADIAN STEWARDSHIP SERVICES ALLIA	1 ST. CLAIR AVE. WEST 7TH FLOOR TORONTO ON M4V 1K6	7,926.51	0.00	7,926.51
16	CANAPEN (HALTON) LTD & IVANHOE CAMBRIDGE II INC.	95 WELLINGTON ST., SUITE 300 TORONTO ON M5J 2R2	1.00	0.00	1.00
17	CANEM SYSTEMS LTD.	1000, 7005 FAIRMOUNT DR SE CALGARY AB T2H 0J1	1,318.88	0.00	1,318.88
18	CASS INFORMATION SYSTEMS INC.	PO BOX 17617 ST. LOUIS MO 63178 US	40,771.44	0.00	40,771.44
19	CASSELS BROCK & BLACKWELL LLP	40 KING ST WEST TORONTO ON M5H 3C2	4,020.88	0.00	4,020.88
20	CEC LEASEHOLDS INC	1550 HOME OIL TOWER 324-8TH AVE. SOUTH WEST CALGARY AB T2P 2Z2	248,640.00	0.00	248,640.00
21	CENTURY MECHANICAL SERVICES	120-15 CAPELLA COURT NEPEAN ON K2E 7X1	605.69	0.00	605.69
22	CF/REALTY HOLDINGS INC.	7 MAGINN MEWS TORONTO ON M3C 0G8	12,391.95	0.00	12,391.95
23	CF/REALTY HOLDINGS INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	13,670.00	0.00	13,670.00

14-Sep-2018

Date

  
 Ralph Schipani

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2363759  
 Estate No. 31-2363759

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	CHECKERS DIV/OPERATED BY COUGARSHOE	2 MASONRY COURT BURLINGTON ON L7T 4A8	4,217.96	0.00	4,217.96
25	CHELSEA TAYLOR	384 RUE BOILEAU ST-EUSTACHE QC J7R 4R7	1.00	0.00	1.00
26	CINTAS CANADA LTD 827	1110 FLINT ROAD TORONTO ON M3J 2J5	889.84	0.00	889.84
27	CITY WIDE LOCKSMITH Attr: LISA C	1750 AVENUE RD NORTH YORK ON M5M 3Y9	1.00	0.00	1.00
28	CITYWIDE DOOR & HARDWARE INC	80 VINYL COURT WOODBIDGE ON L4L 4A3	344.65	0.00	344.65
29	CLE CAPITAL INC	3390 2200 SIDBEC-SUD TROIS-RIVIERES QC G8Z 4H1	583.50	0.00	583.50
30	CLEAN SHINE	770 LAWRENCE AVE WEST TORONTO ON M6A 3C8	8,359.61	0.00	8,359.61
31	CNESST	5 COMPLEXE DESJARDINS, BASILAIRE 1 CENTRE, CP 3, SUCC DESJARDINS MONTREAL QC H5B 1H1	1.00	0.00	1.00
32	CONCORD PRINTING COMPANY	THE 3RD INDL DISTRICT DONGGUAN 190 -- CN	1,027.98	0.00	1,027.98
33	CORPORATE EXPRESS CANADA INC	C/O T04446C PO BOX 4446 STN A TORONTO ON M5W 4A2	3,596.77	0.00	3,596.77
34	COUR MUNICIPALE DE MIRABEL	17690 RUE DU VAL D'ESPOIR MIRABEL QC J7J 1V7	298.00	0.00	298.00
35	CRISTINA MARITANO CONSULTING	120A DUPONT STREET TORONTO ON M5R 1V2	1,356.00	0.00	1,356.00
36	CROWNFIRE D/B 1704222 ONTARIO INC	140 WEST ST. BRANTFORD ON N3T 3G3	1,988.47	0.00	1,988.47
37	DAMA CONSTRUCTION	117 LINDSAY AVE DORVAL QC H9P 2S6	2,390.33	0.00	2,390.33
38	DELMAR INTERNATIONAL INC.	6399 CANTAY ROAD MISSISSAUGA ON L5R 0G4	1,870.00	0.00	1,870.00
39	DELTA B ELECTRIC INC	15-30 TITAN ROAD ETOBICOKE ON M8Z 5Y2	40,978.32	0.00	40,978.32
40	DOVERCO INC	2111 32ND AVE LACHINE QC H8T 3J1	6,916.54	0.00	6,916.54
41	DURHAM VACUUM PLUS LTD	629 KINGSTON RD PICKERING ON L1V 3N7	146.89	0.00	146.89
42	ELITE SEM INC	P.O. BOX 28415 NEW YORK NY 10087-8415 US	2,475.34	0.00	2,475.34
43	EMPLOYEES	100-1446 DON MILLS ROAD TORONTO ON M3B 3N6	1,927,184.00	0.00	1,927,184.00
44	ENMAX Attr: DINA DI RADO	141-50 AVE. SE CALGARY AB T2G 4S7	1.00	0.00	1.00
45	ERIN NADLER	46 PETMAN AVE TORONTO ON M4S 2S8	647.46	0.00	647.46
46	FACEBOOK INC	15161 COLLECTIONS CENTER DRIVE CHICAGO IL 60693 USA	49,147.13	0.00	49,147.13
47	FAIRMALL LEASEHOLDS INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	83,241.00	0.00	83,241.00

14-Sep-2018

Date

  
 Ralph Schipani

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2363759  
 Estate No. 31-2363759

FORM 78 -- Continued


List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	FAIRVIEW POINTE-CLAIRE LEASEHOLDS INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	250,303.00	0.00	250,303.00
49	FCP (BOPC) LTD., ARI FCP HOLDINGS INC. & CPPIB FCP HOLDING INC.	BROOKFIELD PLACE 181 BAY ST., SUITE 330 TORONTO ON M5J 2T3	237,194.00	0.00	237,194.00
50	FCT DEFAULT SOLUTIONS	PO BOX 2514 LONDON ON N6A 4G9	1.00	0.00	1.00
51	FEDERAL EXPRESS CANADA LTD.	P.O. BOX 4626 TORONTO ON M5W 5B4	10,843.31	0.00	10,843.31
52	FGX INTERNATIONAL	500 GEORGE WASHINGTON HWY SMITHFIELD RI 02917 US	28,358.78	0.00	28,358.78
53	FINDIFY AB	ASOGATAN 198 STOCKHOLM - 116 32 SE	4,532.96	0.00	4,532.96
54	FIROZ AHMED	JATRABARI, DHAKI-1204 25/A SHADID FARUK ROAD, BANGLADESH - INDIA	277.83	0.00	277.83
55	FLASHBACK PHOTO CO	223 STONEMANOR AVE WHITBY ON L1R 1X9	2,866.03	0.00	2,866.03
56	FOOT PETALS LLC	13405 YARMOUTH RD PICKERINGTON OH 43147 US	3,191.89	0.00	3,191.89
57	FRANCOTYP-POSTALIA CANADA INC.	82 CORSTATE AVENUE CONCORD ON L4K 4X2	1,098.25	0.00	1,098.25
58	GARDAWORLD CASH SERVICES CANADA COR	1390 BARRE STREET MONTREAL QC H3C 1N4	22,476.05	0.00	22,476.05
59	GIDEON GRAPHICS	12321 BAYPOINTE TERRACE CORTEZ FL 34215 US	1,074.17	0.00	1,074.17
60	GLOBAL IMAGING INC	210 BRUNEL ROAD MISSISSAUGA ON L4Z 1T5	28,020.13	0.00	28,020.13
61	GUNNEBO CANADA INC.	9 VAN DER GRAAF CT BRAMPTON ON L6T 5E5	569.75	0.00	569.75
62	HALTON HILLS SHOPPING CENTRE PARTNERSHIP	105 EISENHOWER PARKWAY, 1ST FL ROSELAND NJ 07068 USA	331,881.00	0.00	331,881.00
63	IMPERIAL COFFEE AND SERVICES INC.	12 KODIAK CRESCENT TORONTO ON M3J 3G5	38.20	0.00	38.20
64	INFINITY BLUE TRADING HK LTD	1307-8 DOMINION CENTRE HONG KONG - - HK	13,231.54	0.00	13,231.54
65	INMOMENT INC	200-2121 ARGENTIA ROAD MISSISSAUGA ON L5N 2X4	8,437.50	0.00	8,437.50
66	INNPOWER	7251 YONGE ST INNISFIL ON L9S 0J3	1.00	0.00	1.00
67	INTERNATIONAL PAPER CONVERTERS LTD	293 RAYETTE RD, UNIT 7 & 8 VAUGHAN ON L4K 2G1	1.00	0.00	1.00
68	IRON MOUNTAIN CANADA	PO BOX 3527 STATION A TORONTO ON M5K 1E7	7,902.58	0.00	7,902.58
69	ISLA PEARL	372 RAIKE DRIVE OSHAWA ON L1L 0B1	1,836.25	0.00	1,836.25
70	IVANHOE CAMBRIDGE II INC. (METROTOWN)	95 WELLINGTON ST. W, SUITE 300 Toronto ON M5J 2R2	508,752.00	0.00	508,752.00

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FORM 78 - Continued

List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
71	IVANHOE CAMBRIDGE II INC. (VAUGHN MILLS)	95 WELLINGTON ST. W, SUITE 300 TORONTO ON M5J 2R2	649,922.00	0.00	649,922.00
72	IVANHOE CAMBRIDGE INC. - TSAWWA	1001 SQUARE-VICTORIA, SUITE C-500 MONTREAL QC H2Z 2B5	455,065.00	0.00	455,065.00
73	IVANHOE CAMBRIDGE INC. (CROSSIRON)	95 WELLINGTON ST. W, SUITE 300 TORONTO ON M5J 2R2	165,695.00	0.00	165,695.00
74	JASPER APPARELL CANADA	180 RITTENHOUSE CIRCLE BRISTOL PA 190007 US	8,276,566.00	0.00	8,276,566.00
75	JOHNSTON EQUIPMENT RAYMOND	5990 AVEBURY RD MISSISSAUGA ON L5R 3R2	10,698.06	0.00	10,698.06
76	KORNBLUM LAW PROFESSIONAL CORPORATION	508 LAWRENCE AVE. W. NORTH YORK ON M6A 1A1	1.00	0.00	1.00
77	MARKET MALL LEASEHOLDS INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	605,557.00	0.00	605,557.00
78	MERIDIAN ONECAP	4710 KINGSWAY BURNABY BC V5H 4M2	10.62	0.00	10.62
79	MIC MAC MALL LIMITED PARTNERSHIP	95 WELLINGTON ST. W, SUITE 300 TORONTO ON M5J 2R2	344,954.00	0.00	344,954.00
80	MICROSOFT (NW CAD LP)	PO BOX 4090 STN A TORONTO ON M5W 0E9	856.38	0.00	856.38
81	MIRABEL OUTLET CENTER GENERAL PARTNERSHIP	105 EISENHOWER PARKWAY, 1ST FL ROSELAND NJ 07068 USA	274,309.00	0.00	274,309.00
82	MONIKA KOEHLER	2211 290 ADELAIDE ST W TORONTO ON M5V 0P3	10,509.00	0.00	10,509.00
83	MULTIDEV TECHNOLOGIES INC. Attr: ROBERT VOYAME	1100-999 DE MAISONNEUVE W. MONTREAL QC H3A 3L4	1.00	0.00	1.00
84	NATIONAL SHOE SPECIALTIES LIMITED	3015 KENNEDY RD UNITS 8-18 TORONTO ON M1V 1E7	27,880.45	0.00	27,880.45
85	NINE WEST DISTRIBUTION	180 RITTENHOUSE CIRCLE BRISTOL PA 190007 US	2,673.40	0.00	2,673.40
86	NINE WEST HOLDINGS, Inc.	1411 BROADWAY NEW YORK NY 10018 US	14,094,203.08	0.00	14,094,203.08
87	NINE WEST MANAGEMENT	180 RITTENHOUSE CIRCLE BRISTOL PA 190007 US	1,456,363.05	0.00	1,456,363.05
88	NORTHWEST-ATLANTIC CANADA INC.	864 YORK MILLS ROAD TORONTO ON M3B 1Y4	13,240.00	0.00	13,240.00
89	NORTOWN AIR	20 DENSLEY AVENUE TORONTO ON M6M 2R1	3,571.21	0.00	3,571.21
90	ONTREA INC.(POLOPARK)	20 QUEEN ST. W, 5TH FL. TORONTO ON M5H 3R4	348,942.00	0.00	348,942.00
91	ONTREA INC. (CHINOOK CENTRE)	20 QUEEN ST. W, 5TH FL. TORONTO ON M5H 3R4	423,101.00	0.00	423,101.00
92	ONTREA INC. (SHERWAY)	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	360,876.00	0.00	360,876.00
93	ORKIN CANADA CORP	5840 FALBOURNE ST MISSISSAUGA ON L5R 4B5	676.89	0.00	676.89
94	ORLANDO CORPORATION (BAYVIEW)	6205 AIRPORT ROAD MISSISSAUGA ON L4V 1E3	333,258.00	0.00	333,258.00

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List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
95	ORLANDO CORPORATION (HEARTLAND)	6205 AIRPORT ROAD MISSISSAUGA ON L4V 1E3	85,353.00	0.00	85,353.00
96	OSTA	349-8171 YONGE STREET THORNHILL ON L3T 2C6	565.00	0.00	565.00
97	PAULS MOVE ALL	3244 MCCARTHY CT MISSISSAUGA ON L4Y 3Z6	420.00	0.00	420.00
98	PROMENADE LIMITED PARTNERSHIP	1 PROMENADE CIRCLE THORNHILL ON L4J 4P8	1.00	0.00	1.00
99	PUROLATOR COURIER LTD.	PO BOX 7006 TORONTO ON M5C 3E2	1,984.33	0.00	1,984.33
100	RCCOM LP & IVANHOE CAMBRIDGE II INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	17,289.00	0.00	17,289.00
101	RECYCLE BC	1 ST CLAIR AVE WEST TORONTO ON M4V 1K6	4,218.38	0.00	4,218.38
102	RHYL REALTY INC.	3200 DUFFERIN ST., SUITE 424 NORTH YORK ON M6A 3B2	102,132.00	0.00	102,132.00
103	RICK BETTENCOURT Attn: JEFFREY PARIAG	JEFFREY PARIAG 508 LAWRENCE AVE. WEST, SUITE 200 TORONTO ON M6A 1A1	1.00	0.00	1.00
104	RIOCAN HOLDINGS (OAKVILLE PLACE) INC.	RIOCAN YONGE EGLINTON CENTRE 2300 YONGE ST., SUITE 500, PO BOX 2386 TORONTO ON M4P 1E4	224,312.00	0.00	224,312.00
105	RIOCAN HOLDINGS (QUEBEC) INC.	RIOCAN YONGE EGLINTON CENTRE 2300 YONGE ST., SUITE 500, PO BOX 2386 TORONTO ON M4P 1E4	1.00	0.00	1.00
106	RIOCAN HOLDINGS (QUEBEC) INC.	500-7475, NEWMAN BLVD. LASALLE QC H8N 1X4	3,350.50	0.00	3,350.50
107	RIOCAN HOLDINGS (TJV) INC. & 1633272 ALBERTA ULC	700 LAWRENCE AVE. W, SUITE 315 TORONTO ON M6A 3B4	267,450.00	0.00	267,450.00
108	RIOCAN MANAGEMENT INC.	RIOCAN YONGE EGLINTON CENTRE 2300 YONGE ST., SUITE 500, PO BOX 2386 TORONTO ON M4P 1E4	1.00	0.00	1.00
109	RIOCAN MANAGEMENT INC.	RIOCAN OAKVILLE PLACE 240 LEIGHLAND AVE. OAKVILLE ON L6H 3H6	1.00	0.00	1.00
110	RIOCAN MANAGEMENT INC. (COOKSTOWN)	7475 NEWMAN BLVD, SUITE 500 LASALLE QC H8N1X3	333,685.00	0.00	333,685.00
111	RMS OMEGA TECHNOLOGIES GROUP	P.O. BOX 64014 BALTIMORE MD 21264 US	242.45	0.00	242.45
112	ROBERT HALF CANADA INC	PO BOX 57349 STATION A SUCCURSALE A TORONTO ON M5W 5M5	429.40	0.00	429.40
113	ROGERS	FCT DEFAULT SOLUTIONS P.O. BOX 2514 LONDON ON N6A 4G9	1.00	0.00	1.00
114	RUSSELL A FARROW USA INC	100-28825 GODDARD RD ROMULUS MI 48174 US	928,127.83	0.00	928,127.83
115	SCARBOROUGH TOWN CENTRE HOLDING INC.	130 ADELAIDE ST., SUITE 1100 TORONTO ON M5H 3P5	370,709.00	0.00	370,709.00
116	SDR DISTRIBUTION SERVICES	300 APPLEWOOD CRES. VAUGHAN ON L4K 4B4	1.00	0.00	1.00

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FORM 78 – Continued

List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
117	SEASONS RETAIL CORP. & THE OUTLET COLLECTION AT WINNIPEG LIMITED	95 WELLINGTON ST. W, SUITE 300 TORONTO ON M5J 2R2	1.00	0.00	1.00
118	SERIES 1 INC	UNIT 5 1655 QUEENSWAY WEST MISSISSAUGA ON L4X 2Z5	16,440.26	0.00	16,440.26
119	SHRED-IT INTERNATIONAL ULC	PO BOX 15781 STATION A TORONTO ON M5W 1C1	1,069.19	0.00	1,069.19
120	SILHOUETTE STUDIO DIGITAL LLC	545 8th AVE RM15MW NEW YORK NY 10018 US	285.03	0.00	285.03
121	SIMPLISTIC LLC	88 S 1ST STREET, SUITE 1-A BROOKLYN NY 11249 US	5,828.54	0.00	5,828.54
122	SPECTECH HOLDINGS INC	411 QUEEN NEWMARKET ON L3Y 2G9	2,983.20	0.00	2,983.20
123	SQUARE ONE PROPERTY CORP.	ROYAL BANK PLAZA, NORTH TOWER 200 BAY ST., SUITE 900 TORONTO ON M5J 2J2	191,291.00	0.00	191,291.00
124	STANDARD MECHANICAL SYSTEMS LIMITED	3055 UNIVERSAL DRIVE MISSISSAUGA ON L4X 2E2	1,044.12	0.00	1,044.12
125	STRONCO DESIGNS INC	1510B CATERPILLAR ROAD MISSISSAUGA ON L4X 2W9	15,924.81	0.00	15,924.81
126	STYLE + SWOON	1067 MCCUAIG DRIVE MILTON ON L9T 6T2	3,277.00	0.00	3,277.00
127	SUNRAY ELECTRONICS CAN. LTD	84-2700 DUFFERIN STREET TORONTO ON M6B 4J3	1,786.01	0.00	1,786.01
128	T.E.C. LEASEHOLDS LIMITED	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	519,470.00	0.00	519,470.00
129	TARGET PRINT INC	323 DON PARK RD MARKHAM ON L3R 1C2	1,909.70	0.00	1,909.70
130	TEXTRONICS	35 WESTBOURNE AVE TORONTO ON M1L 2Y1	135.00	0.00	135.00
131	THE CADILLAC FAIRVIEW CORP. LTD. & VANPC LP	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	536,830.00	0.00	536,830.00
132	THE CITY OF CALGARY	PO BOX 2405 STN M CALGARY AB T2P 3L9	3,376.64	0.00	3,376.64
133	THE CITY OF WINNIPEG	ASSESSMENT AND TAXATION DEPARTMENT WINNIPEG MB R3B 1B5	1.00	0.00	1.00
134	THE MAGILL GROUP LTD	#4-80 COEHILL DR TORONTO ON M6S 3C9	1,830.60	0.00	1,830.60
135	THE OUTLET COLLECTION (NIAGARA) LTD	95 WELLINGTON ST. W, SUITE 300 TORONTO ON M5J 2R2	300,556.00	0.00	300,556.00
136	TORONTO HYDRO Attn: MARCO CALABRESE	STATION A P.O. BOX 4490 TORONTO ON M5W 4H3	1.00	0.00	1.00
137	TYCO INTEGRATED FIRE & SECURITY CAN	40 SHEPPARD AVENUE WEST TORONTO ON M2N 6K9	856.17	0.00	856.17
138	ULINE CANADA CORP	60 HEREFORD ST BRAMPTON ON L6Y 0N3	8,012.28	0.00	8,012.28
139	UNDERWRITERS SECURITY CONTROLS/PURE	27-172 BULLOCK DRIVE MARKHAM ON L3P 7M9	305.10	0.00	305.10

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FORM 78 -- Continued

List "A"  
 Unsecured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
140	UNITED MESSENGERS LTD	270 DRUMLIN CIRCLE CONCORD ON L4K 3E2	165.84	0.00	165.84
141	UPS CANADA LTD	PO BOX 4900 STATION A TORONTO ON M5W 0A7	42,416.26	0.00	42,416.26
142	VAUGHAN PROMENADE SHOPPING CENTRE, INC.	20 QUEEN ST. W, 5TH FL TORONTO ON M5H 3R4	6,218.00	0.00	6,218.00
143	WESTPHALEN HOLDINGS LIMITED	895 DON MILLS RD, TOWER 2, SUITE 405 TORONTO ON M3C 1W3	801,302.00	0.00	801,302.00
144	WORKSAFEBBC	PO BOX 9600 STN TERMINAL VANCOUVER BC V6B 5J5	767.89	0.00	767.89
145	YORKDALE SHOPPING CENTRE HLDGS, INC.	ROYAL BANK PLAZA, NORTH TOWER 200 BAY STREET, SUITE 900 TORONTO ON M5J 2J2	556,745.00	0.00	556,745.00
146	ZEBBA KHAN	104 PARK STREET EAST MISSISSAUGA ON L5G 4W1	3,953.45	0.00	3,953.45
<b>Total:</b>			<b>37,545,862.05</b>	<b>0.00</b>	<b>37,545,862.05</b>

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FORM 78 -- Continued

List "B"  
 Secured Creditors

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	NINE WEST HOLDINGS, Inc.	1411 BROADWAY NEW YORK NY 10018 US	3,999,268.41	Cash on Hand - Chequing - 1		3,999,268.41	10,805,992.96	
				Debts Due - Business - Accounts receivable		0.00	150,000.00	
				Other - Intellectual property		0.00	1.00	
<b>Total:</b>			<b>3,999,268.41</b>			<b>3,999,268.41</b>	<b>10,955,993.96</b>	<b>0.00</b>

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FORM 78 -- Continued

List "C"  
Preferred Creditors for Wages, Rent, etc.

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
<b>Total:</b>					<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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FORM 78 -- Continued

List "D"  
Contingent or Other Liabilities

Jones Canada, Inc and Nine West Canada LP

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

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FORM 78 – Continued

List "E"  
 Debts Due to the Debtor

Jones Canada, Inc and Nine West Canada LP

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts receivable	1446 Don Mills Road, Suite 100 Toronto ON M3B 3N6	Accounts receivable	0.00 0.00 0.00	Accounts receivable		150,000.00	Accounts receivable
Total:				0.00 0.00 0.00			150,000.00	

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FORM 78 - Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

Jones Canada, Inc and Nine West Canada LP

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
<b>Total:</b>				<b>0.00</b>		<b>0.00</b>	

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FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Debtor  
Jones Canada, Inc and Nine West Canada LP

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

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FORM 78 -- Concluded

List "H"  
 Property

Jones Canada, Inc and Nine West Canada LP  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			14,805,261.37	14,805,261.37
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Intellectual property	0.00	1.00
			<b>Total:</b>	<b>14,805,262.37</b>

14-Sep-2018

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Ralph Schipani

# APPENDIX I

IN THE MATTER OF THE PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

REPORT OF THE PROPOSAL TRUSTEE ON THE  
FINANCIAL SITUATION OF THE DEBTOR AND THE PROPOSAL  
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)

This report provides an outline of the background and financial position of Jones Canada, Inc. (“**Jones Canada**”) and Nine West Canada LP (“**NW Canada LP**”, and together with Jones Canada, the “**NW Canada Entities**”), including relevant information that should be of assistance to the NW Canada Entities' Creditors in considering their position with respect to the Proposal being presented by the NW Canada Entities to their Creditors.

Enclosed are the following documents:

- Notice of Proposal to Creditors;
- Proposal, under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3, as amended (the “**BIA**”), lodged with Richter Advisory Group Inc. (“**Richter**”), in its capacity as the trustee of the NW Canada Entities (in such capacity, the “**Proposal Trustee**”), by the NW Canada Entities and filed with the Official Receiver on September 14, 2018;
- The NW Canada Entities' Statement of Affairs sworn September 14, 2018;
- A Proof of Claim form and general Proxy; and
- A Voting Letter.

In preparing this report, the Proposal Trustee has relied upon unaudited financial information prepared by the NW Canada Entities' representatives, the NW Canada Entities' books and records, discussions with the NW Canada Entities' representatives and the NW Canada Entities' legal counsel. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information.

Unless otherwise stated, monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this report have the meanings attributed to such terms in the Proposal.

## Section A – Introduction and Background

The NW Canada Entities were the sole retailers and wholesalers of Nine West brand footwear and accessories in Canada. The NW Canada Entities were also the exclusive wholesalers of various brands of women's jewellery and handbags in Canada.

Prior to the NW Canada Entities' NOI Proceedings (defined and discussed later in this report), the NW Canada Entities operated 35 retail stores across Canada and had approximately 330 employees.

### Corporate Structure

Jones Canada is a private company incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B. 16. Jones Canada is the general partner of NW Canada LP, a limited partnership whose limited partner is Jones Apparel Group Canada ULC, a Nova Scotia unlimited liability corporation. Jones Canada carries on no other business aside from being the general partner of NW Canada LP and, in such capacity, Jones Canada is liable for all obligations of NW Canada LP.

The NW Canada Entities are indirect wholly-owned subsidiaries of U.S. parent companies whose ultimate parent is Jasper Parent LLC (the “**NW US Entities**”, and together with the NW Canada Entities, the “**NW Entities**”).

### Historical Overview

The NW Canada Entities acquired their business in 2015 through the purchase, by NW Canada LP, of substantially all of the business and assets of the Sherson Group Inc. (“**Sherson**”).

Prior to the sale, Sherson had been the Canadian wholesaler and retail licensee of the Nine West brand for almost 30 years. Sherson had been experiencing its own financial difficulties that ultimately led to Sherson filing a Notice of Intention to Make a Proposal (“**NOI**”), pursuant to section 50.4(1) of BIA, on June 29, 2015. Richter was appointed as trustee in Sherson's NOI proceedings.

The NW US Entities were involved in Sherson's NOI proceedings in that the NW US Entities were the licensor of the Nine West and other brands to Sherson. In addition, the NW US Entities were Sherson's largest creditor.

On August 20, 2015, as part of Sherson's NOI proceedings, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) approved the sale of substantially all of Sherson's business and assets to NW Canada LP – the sale closed on August 21, 2015.

### The NW Entities' Insolvency Proceedings

Since its acquisition of the Sherson business, the NW Canada Entities' business operations, including inventory purchases, licence-related charges / design assist costs related to the Nine West brand and other branded merchandise acquired by the NW Canada Entities as well as general and administrative costs have largely been funded by the NW US Entities (on both an secured and unsecured basis). As at the date of this report, the Proposal Trustee understands that the NW Canada Entities had outstanding secured and unsecured obligations owing to the NW US Entities in the amounts of approximately \$4 million and \$23.8 million, respectively. The Proposal Trustee also notes that, as at the date of this report, the NW US Entities have not filed Claims (on either a secured or unsecured basis) with the Proposal Trustee.

As a result of the NW Canada Entities' continuing losses, the NW Canada Entities were dependent on funding from the NW US Entities to continue operations. Due to a decline in the financial performance of the NW US Entities' operations and the failure to revitalize the Nine West and associated brands in both the US and Canada, on April 6, 2018, the NW US Entities commenced insolvency proceedings by filing for protection under Chapter 11 of the U.S. Bankruptcy Code (the “**Chapter 11 Proceedings**”).

As part of the NW US Entities' Chapter 11 Proceedings, the NW US Entities ceased all retail operations and all store locations were closed. The NW US Entities' e-commerce and wholesale operations continued as a sale process for the NW US Entities' assets was completed. Although the Chapter 11 Proceedings did result in the sale of the Nine West and associated brands as well as certain working capital assets of the NW US Entities, the sale expressly excluded Canadian assets and did not provide for ongoing retail or wholesale operations in Canada.

In addition, as a result of the NW US Entities' Chapter 11 Proceedings, the source of funding for the NW Canada Entities' ongoing operations was no longer available. Without access to this source of critical funding, the NW Canada Entities were unable to continue operations and, on April 6, 2018, Jones Canada and NW Canada LP each filed a NOI pursuant to section 50.4(1) of the BIA. Richter was named as the Proposal Trustee under each of the NW Canada Entities' NOI proceedings (the "**NOI Proceedings**").

The purpose of the NOI Proceedings was to, among other things, provide a stable environment for the NW Canada Entities to conduct an orderly and supervised liquidation and wind-down of their operations and consider the development of a Proposal to their creditors. As part of this agenda, on April 11, 2018, the Court approved, *inter alia*, the administrative and substantive consolidation of the NOI Proceedings (such that the NW Canada Entities and the Proposal Trustee were authorized to advance the NOI Proceedings as a single proceeding) and a consulting agreement between the NW Canada Entities and SB 360 Capital Partners to govern the contemplated liquidation of the NW Canada Entities' merchandise and other owned assets in the NW Canada Entities' retail locations (the "**Liquidation**"). The Liquidation concluded on June 30, 2018 and all 35 retail store leases were disclaimed effective on or before that date. In addition, in the Proposal Trustee's view, the substantive consolidation of the NW Canada Entities' NOI Proceedings and the NW Canada Entities' filing of a consolidated Proposal is not prejudicial to the Creditors of the NW Canada Entities.

Pursuant to orders of the Court dated April 11, 2018, June 19, 2018 and August 2, 2018, the deadline by which the NW Canada Entities were required to file their Proposal was extended to September 17, 2018.

On September 14, 2018, the enclosed Proposal naming Richter as Proposal Trustee was filed with the Official Receiver.

### **Section B – Summary of the Proposal**

A brief summary of the Proposal is provided below. Unless otherwise stated, all capitalized terms are defined as they appear in the Proposal. The terms of the Proposal would be effective if:

1. the Proposal is approved by a majority in number and two thirds in value of the Creditors entitled to vote that are present, personally or by proxy, at the Creditors' Meeting; and
2. the Proposal is approved by the Court, in accordance with the provisions of the BIA.

Subject to Creditor acceptance and Court approval, the Proposal provides for the NW Canada Entities to distribute the net proceeds of the Liquidation and certain other funds to Proven Creditors in a manner that will result in Proven Creditors deriving a greater benefit from the distribution contemplated by the Proposal than they would otherwise receive from a bankruptcy of the NW Canada Entities. In this regard, and as set out below and in the Proposal, the NW US Entities have agreed to subordinate \$1 million of their unsecured Claims against the NW Canada Entities if the Proposal is approved by the Creditors and the Court and is implemented.

As set out in the Proposal, the Proposal provides for the following:

1. The monies paid by the NW Canada Entities to the Proposal Trustee (the “**Creditor’s Fund**”) to fund a distribution to Proven Creditors will be comprised of the following:
  - (i) the NW Canada Entities’ cash on hand; and
  - (ii) the net cash proceeds from the monetization of the NW Canada Entities’ remaining assets, including the collection of accounts receivable, withholding tax refunds, GST/HST refunds, balance of D&O Trust, if any, remaining after settlement of GST/HST and other liabilities contemplated by the D&O Trust and miscellaneous prepaid items.
2. Subject to the terms and conditions set forth in the Proposal, the following payments will be made from the Creditor’s Fund:
  - (i) Professional Fees: subject to Article 6.2 of the Proposal and the provisions of the BIA, the Professional Fees will be paid in full as they become due;
  - (ii) Crown Priority Claims: all Crown Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a Canadian province or territory, as applicable, within six months after the issuance of the Proposal Approval Order;
  - (iii) Employee Priority Claims: Employee Priority Claims, if any, will be paid in full in amounts to be determined by the Proposal Trustee pursuant to section 135 of the BIA;
  - (iv) Pension Priority Claims: all Pension Claims that were outstanding as at the Filing Date, if any, shall be paid in full within six months after the issuance of the Proposal Approval Order;
  - (v) Superintendent’s Levy: the Superintendent’s Levy shall be paid in full;
  - (vi) Secured Claims: any Secured Claims will be paid in full in amounts to be determined by the Proposal Trustee pursuant to section 135 of the BIA;
  - (vii) Preferred Claims: the remaining Preferred Claims (after the payments provided in Articles 2.4(a) to (f) of the Proposal have been made, or reserves taken therefor), if any, shall be paid without interest in priority to the Proven Claims addressed by Article 2.4(h) of the Proposal; and
  - (viii) Unsecured Claims: the holders of Proven Claims not addressed by Articles 2.4(a) to (g) of the Proposal will receive an amount from the balance of the Creditor’s Fund (subject to any reserves taken to satisfy the payments provided in Articles 2.4(a) to (g) of the Proposal) relative to the aggregate value of Proven Claims not addressed by Articles 2.4(a) to (g) of the Proposal.
3. Post-Filing Claims are to be paid, in full, by the NW Canada Entities in the ordinary course of business and on regular trade terms, prior to the payment of the Final Contribution into the Creditors’ Fund to the Proposal Trustee.
4. To facilitate the approval and implementation of the Proposal, the NW US Entities have agreed to not pursue a portion of their unsecured Claim against the NW Canada Entities without prejudice to their ability to pursue any Claim or receive distributions in a Bankruptcy Scenario. For greater certainty, the NW US Entities have agreed to subordinate \$1 million of their unsecured debt only if the Proposal is approved by the Creditors and the Court and is implemented.
5. Provided that the Proposal is approved by the Required Majority of the Creditors and that the Proposal Approval Order is granted by the Court:

- (i) the NW Canada Entities shall pay their cash on hand, subject to any reserve for Post-Filing Claims (collectively, the “**Initial Fund Contribution**”), to the Proposal Trustee within five (5) Business Days following the issuance of the Proposal Approval Order; and
  - (ii) the NW Canada Entities shall pay the net cash proceeds remaining from the realization of the Remaining Assets and any remaining cash on hand (collectively, the “**Final Contribution**”) to the Proposal Trustee as soon as reasonably practicable following receipt.
6. Upon the NW Canada Entities making the Initial Fund Contribution payment into the Creditors’ Fund in accordance with the Proposal, the NW Canada Entities, their successors and assigns, and their directors shall be deemed to have fully satisfied the terms of the Proposal other than with respect to the Final Contribution.
7. The determination of which payment constitutes the Final Contribution into the Creditors’ Fund by the NW Canada Entities shall be determined by the NW Canada Entities, acting reasonably, in consultation with the Proposal Trustee.
8. In order to be eligible to vote at the Creditors’ Meeting, each Creditor shall file a Proof of Claim with the Proposal Trustee in accordance with the applicable provisions of the BIA, and shall specify every Claim and every D&O Claim it asserts against the NW Canada Entities and / or the Directors and Officers, as applicable. Secured Creditors and Employee Priority Creditors shall not be entitled to vote their Secured Claims and Employee Priority Claims, respectively, as these amounts are to be paid in full, as set out in more detail above and in the Proposal.
9. In the case of any lease of real property disclaimed by the NW Canada Entities pursuant to section 65.2 of the BIA, the landlord affected by the disclaimer may file a Proof of Claim for the lesser of:
  - (i) the total rent set out in the lease for one (1) year after the disclaimer becomes effective plus fifteen (15) percent of the rent for the rest of the term of the lease; and
  - (ii) the total rent set out in the lease for three (3) years after the disclaimer becomes effective.
10. The Proposal provides for a full and final release and discharge of all Claims and Released D&O Claims and a settlement of and consideration for Claims and Released D&O Claims.
11. The provisions of sections 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to the Proposal.
12. In accordance with section 149 of the BIA, prior to the final distribution from the Creditors’ Fund, the Proposal Trustee shall give notice (the “**Final Dividend Notice**”) by mail to every Person with a Claim of which the Proposal Trustee has notice or actual knowledge but who did not file a Proof of Claim that, if the Creditor does not file a Proof of Claim within thirty (30) days after the mailing of the Final Dividend Notice (the “**Claims Bar Date**”), the Proposal Trustee will proceed to declare a dividend without regard to that Creditor’s Claim. In order to receive a distribution from the Creditors’ Fund, a Creditor must submit a Proof of Claim prior to the Claims Bar Date.
13. On the Effective Date in accordance with the terms of the Proposal and in accordance with the Proposal Approval Order, the treatment of all Claims and Released D&O Claims shall be final and binding on the NW Canada Entities, the Officers and Directors, all Creditors (and their respective heirs, executors, administrators, legal or personal representatives, successors and assigns) and all Claims and Released D&O Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the NW Canada Entities and the Directors and Officers shall thereupon have no further obligation whatsoever in respect of the Claims and Released D&O Claims; provided that nothing in the Proposal releases the NW Canada Entities or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal and provided further that such discharge and release of the NW Canada Entities and the Directors and

Officers shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the BIA so that such Disputed Claim may become a Proven Claim.

14. On the Effective Date, all Creditors shall be deemed to have consented and agreed to all of the provisions of the Proposal in its entirety. Each Creditor will be deemed to have waived any default by the NW Canada Entities in any provision, express or implied, or in any agreement (other than the Proposal) existing between the Creditor and the NW Canada Entities that occurred on or prior to the Effective Date. Each Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of the Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.
15. On the Effective Date, (i) the NW Canada Entities' employees and contractors, each Director and Officer of the NW Canada Entities, and their respective heirs and assigns, and (ii) the Proposal Trustee, the Proposal Trustee's counsel, and each and every present and former shareholder, affiliate, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons, shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor or other Person may be entitled to assert, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including, for greater certainty, any Claim against the NW Canada Entities for indemnification by any Director or Officer, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, negligence, breach of fiduciary duty, dealing or other occurrence existing or taking place on or prior to the Effective Date that constitute or are in any way relating to, arising out of or in connection with any Claims, and any indemnification obligations with respect thereto, the business and affairs of the NW Canada Entities whenever or however conducted, the administration and/or management of the NW Canada Entities, the Proposal, or any document, instrument, matter or transaction involving the NW Canada Entities taking place in connection with the Proposal, shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by governing law; provided that nothing herein will waive, discharge, release, cancel or bar (a) the right to enforce the NW Canada Entities' obligations under the Proposal, or (b) any D&O Claim that is not permitted to be released pursuant to section 50(14) of the BIA.
16. The implementation of the Proposal and distributions contemplated thereunder are subject to the satisfaction of the following conditions precedent:
  - (i) the Proposal is approved by the Required Majority;
  - (ii) the Proposal Approval Order has been issued and has not been stayed and there is no outstanding appeal therefrom; and
  - (iii) all other actions, documents and agreements necessary to implement the Proposal, including, without limitation, payment to the Proposal Trustee of the Initial Fund Contribution, as required by the Proposal, shall have been effected and executed.



The description of the Proposal in this report is a summary only and is being provided solely for the purpose of assisting the Creditors. In the event there is any inconsistency between this report and the Proposal, the terms of the Proposal shall govern. Creditors are advised to read the Proposal in its entirety.

### Section C – Financial Position and Causes of Difficulties

The NW Canada Entities' unaudited financial results for the fiscal years ended December 31, 2016 and 2017, as well as for the two (2) months ended February 28, 2018, are summarized in the below table (results shown are for NW Canada LP only, as Jones Canada does not carry on active business operations aside from being the general partner of NW Canada LP):

<b>Nine West Canada LP</b>				
<b>Historical Financial Results</b>				
	<b>2 Months Ended</b>		<b>Year Ended</b>	
<b>(In 000's)</b>	<b>Feb 18</b>		<b>Dec 17</b>	
			<b>Dec 17</b>	<b>Dec 16</b>
Net Sales	\$	6,462	\$	50,186
Gross Profit		2,521		20,932
Expenses		4,313		24,168
<b>EBITDA from Operations</b>	<b>\$</b>	<b>(1,792)</b>	<b>\$</b>	<b>(3,236)</b>
			<b>\$</b>	<b>(8,400)</b>

As noted above, as a result of the NW Canada Entities' continuing losses, the NW Canada Entities have been dependent on funding from the NW US Entities to continue operations. Upon the commencement of the NW US Entities' Chapter 11 Proceedings, this source of funding was no longer available to the NW Canada Entities. Without access to this source of critical funding, the NW Canada Entities were unable to continue operations.

### Section D – Interim Receiver

Not applicable.

### Section E – Identification and Evaluation of Assets

According to the NW Canada Entities' Statement of Affairs, the NW Canada Entities assets consist of the following:

<b>Asset Description</b>	<b>Estimated Realizable Value per SOA</b>	
Deposits in Financial Institutions	\$	14,805,261
Accounts Receivable		150,000
Other (IP)		unknown
<b>Total</b>	<b>\$</b>	<b>14,955,261</b>

Note: the assets available for distribution noted above do not take into consideration any amounts realized from the D&O Trust.

The NW Canada Entities' assets are discussed in greater detail below:

#### Deposits in Financial Institutions

Deposits in Financial Institutions include the net realizations from the Liquidation and other amounts held in the NW Canada Entities' bank accounts.

**Accounts Receivable**

Accounts receivable includes the NW Canada Entities' estimated collections from outstanding wholesale accounts receivable, withholding tax refunds, GST/HST refunds and the balance of any deposits posted with trade creditors during the NW Canada Entities' NOI proceedings.

**Other (Intellectual Property)**

Other assets consist of the NW Canada Entities' intellectual property, which includes social media profiles, domain names and customer lists.

The Proposal Trustee understands that the NW Canada Entities have taken steps to monetize these assets and the Proposal Trustee will provide an update on any proposed transactions / realizations related to these assets at the Creditors' Meeting.

**Section F – Conduct of the Debtor**

As part of its statutory duties under the BIA, the Proposal Trustee has performed a preliminary review of the NW Canada Entities' financial records, including bank statements for the 12-month period (the "Review Period") immediately preceding the NOI filing date in order to identify (i) any disbursements greater than \$25,000 that may be considered preferences pursuant to the BIA, and (ii) any transactions that may be considered transfers at undervalue pursuant to the BIA. In addition, the Proposal Trustee has made enquiries with certain members of the NW Canada Entities' management, including individuals with knowledge of the NW Canada Entities' day-to-day financial transactions, to discuss the potential existence of any such transactions.

The disbursements identified by the Proposal Trustee primarily consist of payment to the NW US Entities in repayment of secured intercompany advances, payments related to employee payroll and other payments in respect of operating expenses made in the ordinary course.

Based on its review of certain of the NW Canada Entities' financial records and discussions with the NW Canada Entities' management, the Proposal Trustee has not identified any transactions in the Review Period which appear to be at undervalue or which would be otherwise reviewable in accordance with sections 95 to 101 of the BIA.

The Proposal Trustee may continue its review and will provide an update, if necessary, on its review of the NW Canada Entities' financial records at the Creditors' Meeting to consider the Proposal.

**Section G – Creditor Claims**

According to the NW Canada Entities' Statement of Affairs, the NW Canada Entities' Creditors are summarized in the table below:

<b>Creditor Classification</b>	<b>Estimated Claim Per SOA</b>	
Secured	\$	3,999,268
Preferred		-
Unsecured		37,545,862
Contingent		-
<b>Total Claims</b>	<b>\$</b>	<b>41,545,130</b>

### Secured Creditors

Based on the NW Canada Entities' books and records, the NW Canada Entities' only Secured Creditor is the NW US Entities (*Nine West Holdings, Inc. and Nine West Management Service LLC*).

As noted above, the NW US Entities have funded various operating / other costs of the NW Canada Entities via intercompany financing. In the fall of 2017, the NW Canada Entities were in need of additional financing to meet their obligations and continue operations. The NW US Entities agreed to provide this critical additional financing on a secured basis.

On October 18, 2017, NW Canada LP issued two interest-bearing revolving intercompany notes in favour of two of the NW US Entities (collectively, the "**Promissory Notes**"). As security for NW Canada LP's obligations under the Promissory Notes, NW Canada LP provided general security agreements and hypothecs to the holders of the Promissory Notes (collectively, the "**Intercompany Security**").

Since issuing the Promissory Notes and granting the Intercompany Security, intercompany financing has occurred on a secured basis such that, as at the NOI filing date, the NW Canada Entities had outstanding secured obligations owing to the NW US Entities in the amount of approximately \$4 million.

The Proposal Trustee has received an opinion from its independent legal counsel, Aird & Berlis LLP, confirming that, subject to the typical qualifications and assumptions, the Intercompany Security is valid and enforceable in the Province of Ontario. At present, the Proposal Trustee has not obtained an opinion regarding the validity and enforceability of the Intercompany Security in other provinces where the NW Canada Entities have retail operations, as the realizations from Ontario are anticipated to be sufficient to satisfy the amounts owing on a secured basis to the NW US Entities.

In addition to the Intercompany Security, the Proposal Trustee is aware of certain other registrations, in respect of specific leased assets, made pursuant to the *Personal Property Security Act* (Ontario) (the "**Other Security Registrations**").

The NW Canada Entities have advised the Proposal Trustee that the Other Security Registrations relate to security registered by counterparties in respect of various equipment and / or other assets leased by the NW Canada Entities. The Proposal Trustee understands that the NW Canada Entities have returned the equipment and / or other assets to the correct lessor and, where appropriate, disclaimed their interest in the subject matter of these leases.

### Priority Creditors

The Proposal Trustee is aware of certain unpaid customs / brokerage obligations of the NW Canada Entities as at the NOI filing date. The provincial sales tax component of these obligations may constitute a Crown Priority Claim under the Proposal. As at the date of this report, the quantum of the potential Crown Priority Claim in connection with the foregoing is unknown, but the Proposal Trustee understands that the NW Canada Entities are taking steps to determine this obligation, if any.

Based on its review of certain of the NW Canada Entities' financial records, the Proposal Trustee is not aware of any other potential Priority Claims.

### Preferred Creditors

According to the NW Canada Entities' Statement of Affairs, no amounts are due to Preferred Creditors. Based on the Proposal Trustee's review of certain of the NW Canada Entities' financial records, it appears that all amounts owed to the NW Canada Entities' employees, in respect of outstanding wages and vacation pay, which may have existed as at the NOI filing date, have been paid by the NW Canada Entities in the ordinary course. Any employee claims that might exist at the time of Court approval of the Proposal will be paid immediately following Court approval in accordance with the terms of the Proposal and the BIA.

Based on its review of certain of the NW Canada Entities' financial records, the Proposal Trustee is not aware of any other potential Preferred Claims.

### **Unsecured Creditors**

According to the NW Canada Entities' Statement of Affairs, the NW Canada Entities' unsecured creditors are owed approximately \$37.5 million, including approximately \$23.8 million owed to the NW US Entities on an unsecured basis. As noted in Section B of this report, to facilitate approval and implementation of the Proposal, the NW US Entities have agreed to subordinate \$1 million of their unsecured Claims against the NW Canada Entities only if the Proposal is approved by the Creditors and the Court and implemented.

The NW Canada Entities have advised the Proposal Trustee that the amounts noted as owing to employees on the Statement of Affairs (approximately \$1.9 million) was the estimated termination / severance obligation due to the NW Canada Entities' former employees (all of which have been terminated as at the date of this report).

### **Section H – Previous Dealings with the Debtor**

The undersigned Proposal Trustee confirms that neither he nor the firm with which he is related has provided previous services to the NW Canada Entities in any capacity other than consulting with the NW Canada Entities at the time of their acquisition of the business and assets of Sherson and in respect of the consideration to file a Proposal. The Proposal Trustee further confirms that he does not have any knowledge of any conflict of interest situation arising from the acceptance of this appointment as Proposal Trustee under the Proposal.

### **Section I – Informal Meetings with Major Creditors**

The NW Canada Entities and the Proposal Trustee have had various communications with the NW US Entities regarding the Chapter 11 Proceedings, the NOI Proceedings and the proposed arrangements between the NW Canada Entities and the NW US Entities under the Proposal. These communications were necessary in order to, among other things, establish that portion of the NW US Entities' unsecured Claims against the NW Canada Entities to be subordinated under the Proposal.

### **Section J – Remuneration of Proposal Trustee**

Payment of the fees and expenses of the Proposal Trustee, including the legal fees and disbursements of the Proposal Trustee, are provided for in the Proposal.

### **Section K - Cash Flow Statement**

In accordance with the BIA, the Proposal Trustee reviewed the cash flow statement and assumptions for the period September 9, 2018 to November 15, 2018 that were prepared by the NW Canada Entities (the "**Cash Flow Statement**") and which were filed with the Official Receiver. In reviewing the Cash Flow Statement, nothing has come to the Proposal Trustee's attention which would lead the Proposal Trustee to believe that the hypothetical and probable assumptions used by the NW Canada Entities in the preparation of the Cash Flow Statement are inconsistent with the purpose of the Cash Flow Statement.

### **Section L – Statement of Estimated Realizations**

#### **Proposal Accepted**

Should the Proposal be approved by both the Creditors and the Court and implemented, the NW US Entities have agreed to postpone a portion of their unsecured Claims against the NW Canada Entities (\$1 million), which would result in Proven Creditors receiving a greater distribution than would otherwise be realized in a Bankruptcy Scenario.

Based on (i) a Creditor's Fund estimated to be approximately \$15 million, (ii) Secured Claims of approximately \$4 million, (iii) Priority Claims ranging between \$Nil and \$500,000, and (iv) unsecured Claims of approximately \$36.5 million (after taking into consideration the NW US' Entities postponement of \$1 million of their unsecured Claims), the estimated distribution to unsecured Creditors per dollar of Proven Claim is estimated to be approximately 29% - 30%.

Please note that the quantum of the Creditor's Fund, the amounts owing to Creditors (secured, priority, preferred and unsecured) and, therefore the estimated distribution to unsecured Creditors, are subject to variation, particularly in the event that the amounts included in Proofs of Claim filed by Creditors and accepted by the Proposal Trustee differ from the amounts included in the NW Canada Entities' Statement of Affairs.

### **Proposal Not Accepted**

If the Proposal is not accepted, the NW Canada Entities would become bankrupt and the NW Canada Entities' assets would vest with the trustee in bankruptcy, subject to the rights of the NW Canada Entities' Secured Creditors.

In addition, in a Bankruptcy Scenario, the Proposal Trustee understands that the NW US Entities would pursue recovery of their full unsecured Claims against the NW Canada Entities, which, subject to section 137(1) of the BIA, would reduce recoveries for arms-length unsecured Creditors

For the purpose of section 137(1) of the BIA, nothing has come to the Proposal Trustee's attention to suggest that the unsecured transactions between the NW Canada Entities and the NW US Entities were improper.

### **Section M – Recommendations**

Based on the analysis set out in this report, the Proposal Trustee is of the view that the Proposal is preferable to a bankruptcy, since it provides for a distribution to the NW Canada Entities' unsecured Creditors that appears to exceed amounts that would otherwise be available from a bankruptcy.

Accordingly, based on all of the above, the Proposal Trustee recommends the acceptance of the Proposal by the NW Canada Entities' Creditors.

### **Section N – Meeting of Creditors**

In completing the Proof of Claim form enclosed herewith, Creditors should only include all amounts outstanding as at April 6, 2018.

**It is expressly noted and should be clearly understood that Richter, acting solely in its capacity as Proposal Trustee, assumes no responsibility for any Claims against the NW Canada Entities before, on, or after the NOI filing date.**

Creditors may attend the meeting to consider the Proposal either in person or by proxy. The meeting to consider the Proposal will be held on October 4, 2018 at 11:00 a.m. at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario.

**Please note that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed documents prior to the meeting.**

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters to the Proposal Trustee so as to be received prior to the meeting.

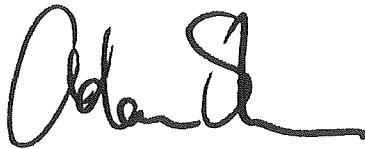
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Should you have any questions in connection with the Proposal or this report, please contact Mr. Eric Finley at (416) 642-2345 x2348 or via email at [efinley@richter.ca](mailto:efinley@richter.ca).

Dated at Toronto, Ontario, this 24<sup>th</sup> day of September, 2018

**Richter Advisory Group Inc.**  
**in its capacity as Trustee under the Proposal of**  
**Jones Canada, Inc. and Nine West Canada LP**  
**and not in its Personal Capacity**

Per:

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

Adam Sherman, MBA, CIRP, LIT  
Senior Vice President

# APPENDIX J

**RICHTER**

**Estate Nos. 31-2363758 / 31-2363759**

**Notice of Hearing of Application for Court Approval of Proposal  
(Paragraph 58(b) of the Act)**

**In the Matter of the Proposal of  
Jones Canada, Inc. and Nine West Canada LP  
of the City of Toronto  
in the Province of Ontario**

Take notice that an application will be made to the court, at 330 University, Toronto, Ontario, on the 23<sup>rd</sup> day of November 2018, at 10:00 A.M., to approve the proposal of Jones Canada, Inc. and Nine West Canada LP, that was accepted by the creditors at a meeting held on the 4<sup>th</sup> day of October 2018.

Dated at the City of Toronto, in the Province of Ontario, this 7<sup>th</sup> day of November 2018.

Richter Advisory Group Inc.  
Trustee acting *in re* the proposal of  
Jones Canada, Inc. and Nine West Canada LP



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Adam Sherman, MBA, CIRP, LIT

T. 416.488.2345 / 1-888-805-1793  
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Montréal, Toronto

(français – recto)



# APPENDIX K

CANADA  
PROVINCE OF ONTARIO

SUPERIOR COURT  
In Bankruptcy and Insolvency  
(Commercial List)

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Estate/Court File No.: 31-2363758  
31-2363759

IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST  
CANADA LP

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PROPOSAL

ARTICLE 1  
INTERPRETATION

1.1 Definitions:

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a) "Administration Order" means the Administration Order of the Court made April 11, 2018.
- b) "Bankruptcy Proceeding" means any deemed assignment into bankruptcy pursuant to section 57 of the BIA and all estate liquidation and administration proceedings related thereto.
- c) "Bankruptcy Scenario" means an immediate liquidation of the NW Canada Entities remaining assets and distribution of proceeds of realization in a Bankruptcy Proceeding.
- d) "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- e) "Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario.
- f) "Chapter 11 Proceedings" has the meaning ascribed to it in Article 2.1 of this Proposal.



- g) "Claim" means any right of any Person against the NW Canada Entities in connection with any indebtedness, liability or obligation of any nature whatsoever, including, without limitation, claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, incurred or arising or related to the period prior to the Filing Date, or based in whole or in part on facts, contracts or arrangements which occurred or existed prior to the Filing Date, including, for greater certainty: (i) any claim against the NW Canada Entities for indemnification by any Director or Officer; and (ii) any right of any Person against the NW Canada Entities arising pursuant to sections 65.11 or 65.2 of the BIA. For greater certainty, a Claim does not include a Post-Filing Claim.
- h) "Court" means the Ontario Superior Court of Justice.
- i) "Creditors" means the holders of Claims.
- j) "Creditors' Fund" has the meaning ascribed to it in Article 2.3 of this Proposal.
- k) "Creditors' Meeting" means the meeting of Creditors to be held for the purpose of considering and voting upon this Proposal, and any adjournment(s) of such meeting.
- l) "Creditors' Meeting Date" means such date and time as may be set by the Proposal Trustee, but in any event no later than 21 days following the filing of this Proposal with the Official Receiver.
- m) "Crown Priority Claims" means all amounts owing to Canada Revenue Agency that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation as at the Filing Date.
- n) "D&O Claim" means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of

contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

- o) **"D&O Trust"** means trust indenture dated April 2, 2018, as amended, and funds held in accordance therewith.
- p) **"Directors"** means all current and former directors (or their estates) of the NW Canada Entities, in such capacity, and **"Director"** means any one of them.
- q) **"Disputed Claim"** means any Claim or D&O Claim which has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA, but has not been accepted as proven in accordance with section 135 of the BIA or which is being disputed in whole or in part by the Proposal Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- r) **"Disputed Creditor"** means a Person holding a Disputed Claim to the extent of its Disputed Claim.
- s) **"Effective Date"** means two (2) Business Days following the satisfaction of the conditions listed in Article 4 of this Proposal.
- t) **"Employee Priority Claims"** means Claims of the former employees of the NW Canada Entities to be paid in accordance with section 60(1.3) of the BIA.
- u) **"Employee Priority Creditors"** means the holders of Employee Priority Claims.
- v) **"Filing Date"** means April 6, 2018.
- w) **"Final Contribution"** has the meaning ascribed to it in Article 2.6 of this Proposal.
- x) **"Final Dividend Notice"** has the meaning ascribed to it in Article 3.1 of this Proposal.
- y) **"Initial Fund Contribution"** has the meaning ascribed to it in Article 2.6 of this Proposal.
- z) **"Inspectors"** means the inspectors that are or may be appointed pursuant to section 56 of the BIA.
- aa) **"Jones Canada"** means Jones Canada, Inc.



- bb) "KERA" means the key employee retention agreement attached as Confidential Appendix "2" to the First Report of the Proposal Trustee dated April 9, 2018 (as same may have been and may be amended from time to time) and approved by the Administration Order.
- cc) "KERA Beneficiaries" means those employees or former employees of the NW Canada Entities who are beneficiaries of the KERA and in whose favour the KERA Charge was granted.
- dd) "KERA Charge" means the charge approved by the Court in the Administration Order for the benefit of the KERA Beneficiaries.
- ee) "Liquidation" has the meaning ascribed to it in Article 2.1 of this Proposal.
- ff) "NOI" has the meaning ascribed to it in Article 2.1 of this Proposal.
- gg) "NW Canada Entities" means NW Canada LP and Jones Canada.
- hh) "NW Canada LP" means Nine West Canada LP.
- ii) "NW US Entities" means Nine West Holdings, Inc. and those of its affiliates that, together with Nine West Holdings, Inc., commenced the Chapter 11 Proceedings.
- jj) "Officers" means all current and former officers (or their estates) of the NW Canada Entities, in such capacity, and "Officer" means any one of them.
- kk) "Official Receiver" means a federal government employee in the office of the Superintendent of Bankruptcy who, among other things, accepts and reviews documents that are filed in BIA proposals.
- ll) "Pension Priority Claims" means all amounts required to be paid under section 60(1.5) of the BIA, subject to the limitations set out under section 60(1.6) of the BIA.
- mm) "Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.



- nn) **"Post-filing Claim"** means a claim arising in respect of goods supplied, services rendered or other consideration given to the NW Canada Entities subsequent to the Filing Date.
- oo) **"Preferred Claims"** means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Preferred Creditor to receive payment in priority to other Proven Creditors as provided in section 136 of the BIA.
- pp) **"Preferred Creditors"** means the holders of Preferred Claims.
- qq) **"Priority Claimants"** means the holders of Crown Priority Claims, Employee Priority Claims and Pension Priority Claims.
- rr) **"Professional Fees"** means all proper fees, expenses, liabilities and obligations of the NW Canada Entities or the Proposal Trustee and their legal fees, accounting fees and consulting fees arising out of the Proposal Proceedings and any claims therein, and includes, for greater certainty, the KERA Beneficiaries and any agents retained by the NW Canada Entities or the Proposal Trustee.
- ss) **"Proof of Claim"** means the form to be delivered by the Creditors to the Proposal Trustee in accordance with the BIA.
- tt) **"Proposal"** means this Proposal, as may be further varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA.
- uu) **"Proposal Approval Order"** means an order of the Court, in form and substance satisfactory to the NW Canada Entities and the Proposal Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA.
- vv) **"Proposal Proceedings"** means the restructuring and liquidation sale proceedings commenced by the NW Canada Entities pursuant to section 50.4 of the BIA on the Filing Date.
- ww) **"Proposal Trustee"** means Richter Advisory Group Inc., in its capacity as proposal trustee of the NW Canada Entities in the Proposal Proceedings.
- xx) **"Proven Claim"** means the amount or any portion of a Claim that is accepted as proven by the Proposal Trustee pursuant to section 135 of the BIA and determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court.
- yy) **"Proven Creditors"** means the holders of Proven Claims.

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- zz) **“Related Persons”** means “related persons” (as defined in Section 4(2) of the BIA) to the NW Canada Entities, which for greater certainty, includes the NW US Entities.
- aaa) **“Released Claims”** has the meaning ascribed to it in Article 8.1 of this Proposal.
- bbb) **“Released D&O Claims”** means all D&O Claims that are released pursuant to Article 8.1 of this Proposal.
- ccc) **“Released Parties”** has the meaning ascribed to it in Article 8.1 of this Proposal.
- ddd) **“Remaining Assets”** has the meaning ascribed to it in Article 2.3 of this Proposal.
- eee) **“Required Majority”** means a majority in number and two-thirds in value of all Proven Claims of Creditors entitled to vote, who are present and voting at the Creditors’ Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.
- fff) **“Secured Claims”** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors.
- ggg) **“Secured Creditors”** means “secured creditors” (as defined in Section 2 of the BIA) of the NW Canada Entities.
- hhh) **“Superintendent’s Levy”** has the meaning attributed to it in section 147 of the BIA and is payable to the Superintendent in Bankruptcy.
- iii) **“Superintendent in Bankruptcy”** has the meaning attributed to it in section 5 of the BIA.

## 1.2 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

## 1.3 Time

All times expressed in this Proposal are local time Toronto, Ontario, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

## 1.4 Section References



In this Proposal, a reference to section, clause or paragraph shall, unless otherwise stated, refer to a section, clause or paragraph of the Proposal.

### **1.5 Statutory References**

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

### **1.6 Monetary References**

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

### **1.7 Gender and Number**

Any reference in this Proposal to gender includes all genders. Words importing the singular number only include the plural and vice versa.

## **ARTICLE 2 PROPOSAL**

### **2.1 Background to Proposal**

On April 6, 2018, each of the NW Canada Entities filed a Notice of Intention to File a Proposal ("NOI") under the BIA in order to, among other things, conduct an orderly and supervised liquidation process and wind-down of their operations. The Proposal Trustee was appointed as the proposal trustee for each of the NW Canada Entities.

Following the commencement of separate insolvency proceedings in the United States (the "Chapter 11 Proceedings") by the NW US Entities, the NW Canada Entities lost access to critical funding without which they were unable to continue operations. The Chapter 11 Proceedings contemplated a sale of the NW US Entities' intellectual property and certain working capital assets. A sale process was finalized within the Chapter 11 Proceedings and the sale of the NW US Entities' assets was approved and closed on July 3, 2018. The extensive marketing process undertaken by the NW US Entities did not generate any interest in the NW Canada Entities' assets on a going concern or other basis.

On April 11, 2018, the Court approved the Consulting Agreement between the NW Canada Entities and SB360 Capital Partners Inc. which outlined the proposed liquidation of the NW Canada Entities' inventory (the "Liquidation"). The Liquidation was completed by June 30, 2018.

The NW Canada Entities, together with their advisors, considered the potential value of seeking to market the NW Canada Entities' real estate leases and have determined that the potential of canvassing the market for recovery from such locations does not





quantifiably warrant an extension to the Proposal Proceedings. Accordingly, the NW Canada Entities disclaimed their leases on a rolling basis in order to minimize claims against their estates. All retail store leases were disclaimed effective on or before June 30, 2018. The head office lease was disclaimed effective on August 11, 2018.

By Order dated April 11, 2018, the Court also ordered that the estates of Jones Canada and NW Canada LP be procedurally and substantively consolidated. Accordingly, this Proposal is being filed jointly on behalf of each of the NW Canada Entities.

The time period for the NW Canada Entities to file a proposal pursuant to the BIA and the stay of proceedings under the NW Canada Entities' NOI was extended by Order of the Court to September 17, 2018.

## 2.2 Overview of Proposal

This Proposal is designed to allow the NW Canada Entities to distribute the net proceeds of the Liquidation and certain other funds to the Proven Creditors in a manner that will result in the Proven Creditors receiving more than would be recovered in a Bankruptcy Scenario.

### *NW US Entities' Claims*

To facilitate approval and implementation of this Proposal, the NW US Entities have agreed to not pursue a portion of their unsecured Claims against the NW Canada Entities without prejudice to their ability to pursue any Claims or receive distributions in a Bankruptcy Scenario. For greater certainty, the NW US Entities have agreed to subordinate \$1million of their unsecured debt only if this Proposal is approved by the Creditors and is implemented.

## 2.3 Proposed Payments / Contributions

The following amounts (the "Creditors' Fund") will be available for distribution in accordance with Article 2.4 of this Proposal:

- a) The NW Canada Entities' cash on hand; and
- b) Net cash proceeds from the realization of the NW Canada Entities' remaining assets ("**Remaining Assets**"), including collection of accounts receivable, withholding tax refunds, HST refunds, balance of D&O Trust, if any, remaining after settlement of GST and other liabilities contemplated by the D&O Trust and miscellaneous prepaid items.

## 2.4 Proposed Distributions



Subject to the terms and conditions set forth in this Proposal, and the payment of the Superintendent's Levy (as applicable), the following payments will be made from the Creditors' Fund:

- a) Professional Fees: subject to Article 6.2 of this Proposal and the provisions of the BIA, the Professional Fees will be paid in full as they become due.
- b) Crown Priority Claims: all Crown Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a Canadian province or territory, as applicable, within six months after the issuance of the Proposal Approval Order.
- c) Employee Priority Claims: Employee Priority Claims, if any, will be paid in full in amounts determined by the Proposal Trustee pursuant to section 135 of the BIA.
- d) Pension Priority Claims: all Pension Claims that were outstanding as at the Filing Date, if any, shall be paid in full within six months after the issuance of the Proposal Approval Order.
- e) Superintendent's Levy: the Superintendent's Levy shall be paid in full.
- f) Secured Claims: any Secured Claims will be paid in full in amounts determined by the Proposal Trustee pursuant to section 135 of the BIA.
- g) Preferred Claims: the remaining Preferred Claims (after the payments provided in Articles 2.4(a) to (f) of this Proposal have been made, or reserves taken therefor), if any, shall be paid without interest in priority to the Proven Claims addressed by Article 2.4(h) of this Proposal.
- h) Unsecured Claims: the holders of Proven Claims not addressed by Articles 2.4(a) to (g) of this Proposal will receive an amount from the balance of the Creditors' Fund (subject any reserves taken to satisfy the payments provided in Articles 2.4(a) to (g) of this Proposal) relative to the aggregate value of the Proven Claims not addressed by Articles 2.4(a) to (g) of this Proposal.
- i) Subject to Article 2.2 above, the NW US Entities will not pursue [\$1 million] of their unsecured Claims or receive any distributions in respect of same under this Proposal.

## 2.5 Landlords' Claims

In the case of any lease of real property disclaimed by the NW Canada Entities pursuant to section 65.2 of the BIA, the landlord affected by the disclaimer may file a Proof of Claim for the lesser of: (i) the total rent set out in the lease for one year after the

disclaimer becomes effective plus 15 percent of the rent for the rest of the term of the lease; and (ii) the total rent set out in the lease for three years after the disclaimer becomes effective.

## 2.6 Timing and Payment to the Proposal Trustee

Provided that the Proposal is accepted by the Required Majority of the Creditors and that the Proposal Approval Order is granted by the Court:

a) the NW Canada Entities shall pay their cash on hand, subject to any reserve for Post-filing Claims (collectively, the "Initial Fund Contribution"), to the Proposal Trustee within five Business Days following the issuance of the Proposal Approval Order; and

b) the NW Canada Entities shall pay the net cash proceeds from the realization of the Remaining Assets and any remaining cash on hand (collectively, the "Final Contribution") to the Proposal Trustee as soon as reasonably practicable following receipt.

## 2.7 Effect of Payment

Upon the NW Canada Entities making the Initial Fund Contribution payment into the Creditors' Fund in accordance with this Proposal, the NW Canada Entities, their successors and assigns, and their directors shall be deemed to have fully satisfied the terms of this Proposal other than with respect to the Final Contribution.

The determination of which payment properly constitutes the Final Contribution into the Creditors' Fund by the NW Canada Entities shall be determined by the NW Canada Entities, acting reasonably, in consultation with the Proposal Trustee.

## 2.8 Persons Affected

The Proposal provides for a full and final release and discharge of all Claims and Released D&O Claims and a settlement of and consideration for Claims. The Proposal will become effective at 12:01 a.m. (Toronto time) on the Effective Date in accordance with its terms and shall be binding on and enure to the benefit of the NW Canada Entities and other Persons directly or indirectly named or referred to in or subject to the Proposal.

On the Effective Date in accordance with the terms of this Proposal and in accordance with the provisions of the Proposal Approval Order, the treatment of all Claims and Released D&O Claims shall be final and binding on the NW Canada Entities, the Officers and Directors, all Creditors (and their respective heirs, executors, administrators, legal and personal representatives, successors and assigns), and all Claims and Released D&O Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the NW Canada Entities and the

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Directors and Officers shall thereupon have no further obligation whatsoever in respect of the Claims and Released D&O Claims; *provided that* nothing herein releases the NW Canada Entities or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal and *provided further* that such discharge and release of the NW Canada Entities and the Directors and Officers shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the BIA so that such Disputed Claim may become a Proven Claim.

**ARTICLE 3**  
**CLAIMS PROCESS, VALUATION OF CLAIMS, CLASSIFICATION OF**  
**CREDITORS AND RELATED MATTERS**

**3.1 Claims Process**

In order to be eligible to vote at the Creditors' Meeting, each Creditor shall file a Proof of Claim with the Proposal Trustee in accordance with the applicable provisions of the BIA, and shall specify every Claim and every D&O Claim it asserts against the NW Canada Entities and/or the Directors and Officers, as applicable. Thereafter, pursuant to section 135 of the BIA, the Proposal Trustee shall examine every Proof of Claim and determine whether such Claims are Proven Claims or Disputed Claims, and whether such Claims are Crown Priority Claims, Employee Priority Claims, Pension Priority Claims, Preferred Claims or Secured Claims, as applicable.

In order to receive a distribution from the Creditors' Fund, a Creditor must submit a Proof of Claim prior to the time the Proposal Trustee distributes funds in accordance with the Proposal and the BIA.

In accordance with section 149 of the BIA, prior to the final distribution from the Creditors' Fund, the Proposal Trustee shall give notice (the "**Final Dividend Notice**") by mail to every Person with a Claim of which the Proposal Trustee has notice or actual knowledge but who did not file a Proof of Claim.

**3.2 Claims for Voting Purposes**

Each Creditor (other than Secured Creditors and Employee Priority Creditors) shall be entitled to a single vote valued at the amount of its Claim or a portion of its Claim, if any, that has been accepted by the Proposal Trustee for voting purposes without prejudice to the rights of the NW Canada Entities, the Proposal Trustee and the Creditor to have the quantum of any Disputed Claim finally determined for the purposes of receiving its share of the Creditors' Fund, if any, or for the purposes of determining whether this Proposal was approved by the Required Majority.

For greater certainty, Secured Creditors and Employee Priority Creditors shall not be entitled to vote their Secured Claims and Employee Priority Claims, respectively.

Without limiting the foregoing, Disputed Claims shall be tracked by the Proposal Trustee as if such claims were Proven Claims but Disputed Claims will not be considered for the purposes of determining the Required Majority. The Proposal Trustee will report to the Court on the impact on the Required Majority had the Disputed Claims constituted accepted claims for voting purposes.

### **3.3 Disputed Claims**

Any Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions pursuant to Article 2.4 of this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim.

### **3.4 D&O Claims**

All Released D&O Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Effective Date. Any D&O Claim that is not a Released D&O Claim will not be compromised, released, discharged, cancelled and barred. For greater certainty, any Claim of a Director or Officer against the NW Canada Entities for indemnification or contribution in respect of any D&O Claim shall be treated for all purposes under the Proposal as a Claim and will be compromised, released, discharged, cancelled and barred.

### **3.5 Claims Bar**

Any Person who does not file its Claim or D&O Claim within thirty days of the issuance of the Final Dividend Notice, shall forever be barred from making a Claim or D&O Claim or sharing in any dividend hereunder, subject to any exception set out in sections 149(2), (3), (4) and 150 of the BIA, regardless of whether such Person was sent a Final Dividend Notice or whether such Person received such Final Dividend Notice.

### **3.6 Class of Creditors**

For the purpose of considering and voting upon and receiving distributions under this Proposal, there shall be one class of unsecured Creditors.

### **3.7 Set-Off**

The law of set-off applies to all Claims.

### **3.8 Creditors' Meeting, Proxies and Voting Letters**

The Creditors' Meeting will be held on the Creditors' Meeting Date at a location to be determined and provided to all known Creditors in accordance with the BIA.

Proxies, as provided for in the BIA indicating a Person authorized to act on behalf of a Proven Creditor, may be submitted to the Proposal Trustee at, or any time prior to, the commencement of the vote on the Proposal at the Creditors' Meeting.

Voting letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Creditor wishes to cast its vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal.

Related Persons may vote against but not in favour of the Proposal.

Persons in attendance at the Creditors' Meeting who are eligible to vote shall cast their vote in the manner prescribed by the Proposal Trustee and the BIA. All votes will be recorded and tabulated by the Proposal Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. For greater certainty, Secured Creditors shall not be entitled to vote the value of their Claims.

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Creditor, entitled to vote, present in person or by proxy or if one Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place as determined by the Proposal Trustee.

### **3.9 Approval by Creditors**

In order to be approved, the Proposal must receive the affirmative vote of the Required Majority.

### **3.10 Modification of the Proposal**

Subject to the consent of the Proposal Trustee, at any time prior to the Creditors' Meeting or at any time prior to the date to which the Creditors' Meeting is adjourned, if it is adjourned, the NW Canada Entities reserve the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal.

At the Creditors' Meeting, the Proposal Trustee shall provide all Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the issuance of the Proposal Approval Order) and subject to the consent of the Proposal Trustee, the NW Canada Entities may at any time and from time to time

vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

#### **ARTICLE 4 CONDITIONS PRECEDENT**

##### **4.1 Conditions Precedent to the Implementation of the Proposal**

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a) The Proposal is approved by the Required Majority;
- b) The Proposal Approval Order has been issued and has not been stayed and there is no outstanding appeal therefrom; and
- c) All other actions, documents and agreements necessary to implement the Proposal, including, without limitation, payment to the Proposal Trustee of the Initial Fund Contribution as required herein, shall have been effected and executed.

With respect to the Proposal Approval Order, if approval by the Required Majority is obtained, the Proposal Trustee shall file with the Court an application for the Proposal Approval Order no later than five Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

#### **ARTICLE 5 BINDING EFFECT**

##### **5.1 Binding Effect**

On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of the NW Canada Entities and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

#### **ARTICLE 6 PROPOSAL TRUSTEE, MONITORING AND ADMINISTRATIVE COSTS**

6.1 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with the Proposal or in connection



with the business or liabilities of the NW Canada Entities.

6.2 The Proposal Trustee's fees and disbursements, including, without limitation, the Proposal Trustee's legal costs, arising out of this Proposal and under the BIA shall be paid by the NW Canada Entities as Professional Fees under this Proposal. The fees for the Proposal Trustee's services will be based on time spent by the Proposal Trustee and the various members of its staff at their respective billing rates plus any direct out of pocket expenses incurred. The Proposal Trustee's legal costs will be based on time spend by the Proposal Trustee's legal counsel and the various members of such legal counsel's staff at their respective billing rates plus any direct out of pocket expenses incurred. The Court shall review and approve the Proposal Trustee's fees and disbursements. The Proposal Trustee will be entitled to take regular interim fees upon Creditor, Inspector or Court approval.

6.3 The Proposal Trustee shall be indemnified in full by the NW Canada Entities for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the BIA, except for any willful misconduct or gross negligence.

#### ARTICLE 7 INSPECTORS

7.1 At the Creditors' Meeting, the Creditors will be entitled to appoint one or more, but not exceeding five, Inspectors, whose powers shall be as follows:

- a. advising the Proposal Trustee in respect of such matters as may be referred to the Inspectors by the Proposal Trustee;
- b. advising the Proposal Trustee concerning any dispute that may arise as to the validity of the Claims asserted in this Proposal;
- c. exercising all powers given to the Inspectors of a bankrupt estate appointed pursuant to the provisions of the BIA; and
- d. altering or extending the time for payments to be made pursuant to this Proposal, but not the total amount paid.

The Inspectors shall not have liability to the Creditors or the NW Canada Entities for exercising any of the powers given to them under this Proposal or the BIA.

#### ARTICLE 8 RELEASES

##### 8.1 Proposal Releases

On the Effective Date, (i) the NW Canada Entities' employees and contractors, each Director and Officer of the NW Canada Entities, and their respective heirs and assigns, and (ii) the Proposal Trustee, the Proposal Trustee's counsel, and each and every present and former shareholder, affiliate, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i) or (ii) of this Article 8.1, in their capacity as



such, being herein referred to individually as a "Released Party" and all referred to collectively as "Released Parties") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor or other Person may be entitled to assert, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including, for greater certainty, any Claim against the NW Canada Entities for indemnification by any Director or Officer, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, negligence, breach of fiduciary duty, dealing or other occurrence existing or taking place on or prior to the Effective Date that constitute or are in any way relating to, arising out of or in connection with any Claims, and any indemnification obligations with respect thereto, the business and affairs of the NW Canada Entities whenever or however conducted, the administration and/or management of the NW Canada Entities, the Proposal, or any document, instrument, matter or transaction involving the NW Canada Entities taking place in connection with the Proposal (referred to collectively as the "Released Claims"), shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by governing law; provided that nothing herein will waive, discharge, release, cancel or bar (a) the right to enforce the NW Canada Entities' obligations under the Proposal, or (b) any D&O Claim that is not permitted to be released pursuant to section 50(14) of the BIA.

#### ARTICLE 9

#### CONSENTS WAIVERS AND AGREEMENTS

9.1 On the Effective Date, all Creditors shall be deemed to have consented and agreed to all of the provisions of the Proposal in its entirety. Each Creditor will be deemed to have waived any default by the NW Canada Entities in any provision, express or implied or in any agreement (other than the Proposal) existing between the Creditor and the NW Canada Entities that occurred on or prior to the Effective Date. Each Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of the Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

#### ARTICLE 10

#### GENERAL

##### 10.1 Post-filing Claims

Post-filing Claims shall be paid in full by the NW Canada Entities in the ordinary

course of business, and on regular trade terms, prior to the payment of the Final Contribution into the Creditors' Fund to the Proposal Trustee.

**10.2 Reviewable Transactions**

The provisions of Sections 95 to 101, inclusively, of the BIA and any similar provision of any federal or provincial statute shall not apply to this Proposal.

**10.3 Paramountcy**

From and after the Effective Date, any conflict between the covenants, warranties, representations, terms, conditions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the NW Canada Entities, lease or other agreement, whether written or oral, and any and all amendments or supplements thereto existing between any third party and the NW Canada Entities as at the Effective Date will be deemed to be governed by the terms, conditions and provisions of the Proposal, which shall take precedence and priority.

**10.4 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such actions and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

**10.5 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**10.6 Report of the Proposal Trustee**

The Proposal Trustee will prepare a report on the Proposal, which will be filed with the Official Receiver and the Court and distributed to Creditors pursuant to the BIA.

**10.7 Annulment**

If the Proposal is annulled by an Order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of the applicable Creditors.

[SIGNATURE PAGE FOLLOWS]

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DATED AT CITY OF NEW YORK, STATE OF NEW YORK  
this 14<sup>th</sup> day of September, 2018

JONES CANADA, INC.

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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DATED AT CITY OF NEW YORK, STATE OF NEW YORK  
this 14<sup>th</sup> day of September, 2018

NINE WEST CANADA LP. by its general partner  
Jones Canada, Inc.

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal stroke at the bottom, positioned above a solid horizontal line.

# APPENDIX L



District of Ontario  
Division No. 09 - Toronto  
Court No. 31-2363759  
Estate No. 31-2363759

IN THE MATTER OF THE PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP  
MINUTES OF THE FIRST MEETING OF CREDITORS

October 4, 2018  
199 Bay Street, 53th Floor  
Toronto, Ontario

**ATTENDANCE**

Chairperson:	Avi Koren, Official Receiver, Office of the Superintendent of Bankruptcy
Secretary:	Anisah Aish, Official Receiver, Office of the Superintendent of Bankruptcy
Licensed Insolvency Trustee:	Adam Sherman, Richter Advisory Group Inc.  Eric Finley Richter Advisory Group Inc.
Estate Counsel:	Steve Graff Aird & Berlis
Corporate Officer:	Ralph Schipani (via telephone) Nine West Canada President

The attendance is recorded as per the attached list.

### CALL TO ORDER

The chair called the meeting to order at 11:00 am.

### QUORUM

Avi Koren acted as chair for the meeting under the authority of section 51(3) of the *Bankruptcy and Insolvency Act* ('BIA').

The chair confirmed there were no objections to taking a recess and the meeting was recessed at 11:01 am.

The meeting was called back to order at 11:04 am.

The chair determined that a quorum was established and the meeting was duly constituted.

The chair explained that the purpose of the meeting was set out in section 54(1) of the BIA.

The Licensed Insolvency Trustee Adam Sherman of Richter Advisory Group Inc. summarized the contents of the Trustee's Report to Creditors on Proposal. There were no questions or objections to the Trustee's Preliminary Report.

### QUESTION PERIOD

No questions were posed during the question period.

### PROPOSAL – VOTING

A motion to vote was made and was moved and seconded by the trustee's proxies of Mirabel Outlet Center General Partnership and Halton Hills Shopping Center Partnership.

The matter proceeded to a vote and 100% of the votes were cast in favour. The proposal was accepted by the creditors.

	<b>NUMBER</b>		<b>VALUE (\$)</b>	
<b>FOR</b>	<b>75</b>	<b>100%</b>	<b>\$11,355,609.60</b>	<b>100%</b>
<b>AGAINST</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>ABSTAIN</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>TOTAL</b>	<b>75</b>	<b>100%</b>	<b>\$11,355,609.60</b>	<b>100%</b>

### INSPECTORS

A motion to vote on the appointment of inspectors was put forth.

The following inspectors were nominated:

1. Sanja Sopic
2. Patricia Shannon

The motion was moved by Linda Galesserie representing several proven creditors and seconded via the trustee's proxy for Mirabel Outlet Center General Partnership. There were no objections to the appointments and Sanja Sopic and Patricia Shannon were appointed as inspectors of the estate.

**ADJOURNMENT of MEETING**

The chair asked for a motion to adjourn the meeting and the motion was moved by Linda Galesserie and seconded via the trustee's proxy for Mirabel Outlet Center General Partnership. The motion to adjourn was carried as there were no objections and the meeting was adjourned at 11:15 am.



October 12, 2018

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Avi Koren  
Chairperson / Official Receiver  
Office of the Superintendent of Bankruptcy

Encl.: Attendance List



ATTENDANCE SHEET

Re: - Subject: <u>Jones Canada, Inc and Nine West Canada LP</u>	File No.: - No dossier: <u>31 - 036375B</u>	Date: <u>Oct 4, 2010</u>
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NO.	NAME (PRINT) NOM (IMPRIMEZ)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMAQUES
	Anisah Aish	OSB		—	
	Avi Koren	OSB-Chair		—	
	Eric Finley	Richter		—	
	Sarija Sopic	Nine West Canada		—	
	Liz Pillon	Nine West Canada		—	
	STEVEN GRAFF	RICHTER-ARB		N/A	
	MARIA KOMUKHOIA	NINEWEST CANADA		—	
	Adam Sherman	Richter			
	Linda Galenswie	RIOCAN, VANHOOD, landlords Brookfield			



# APPENDIX M

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF  
JONES CANADA, INC. AND NINE WEST CANADA LP  
OF THE CITY OF TORONTO**

**IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF ADAM SHERMAN**

I, Adam Sherman, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of 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 where so stated, I verily believe it to be true.
2. On April 6, 2018 (the "**Filing Date**"), Jones Canada, Inc. and Nine West Canada LP (together, the "**Companies**"), each filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "**BIA**") and Richter was named as trustee under each of the Companies' NOIs (the "**Proposal Trustee**").
3. On April 11, 2018, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an order that, among other things, approved the administrative and substantive consolidation of the Companies' NOI proceedings (the "**NOI Proceedings**") and extended the time within which the Companies are required to submit a proposal to their creditors to June 20, 2018.
4. Pursuant to an order of the Court dated June 19, 2018 (the "**June 19 Fee Approval Order**"), the fees and disbursements of the Proposal Trustee for the period from February 21, 2018 to June 2, 2018 were approved by the Court, in the amount of \$500,448.71 (excluding harmonized sales tax ("**HST**")). The June 19 Fee Approval Order also, among other things, further extended the time within which the Companies are required to submit a proposal to their creditors to August 3, 2018. Attached hereto as **Exhibit "A"** to this my Affidavit is a copy of the June 19 Fee Approval Order.

5. Pursuant to an order of the Court dated August 2, 2018 (the “**August 2 Fee Approval Order**”), the fees and disbursements of the Proposal Trustee for the period from June 3, 2018 to July 20, 2018 were approved by the Court, in the amount of \$126,681.97 (excluding harmonized sales tax (“**HST**”). The August 2 Fee Approval Order also, among other things, further extended the time within which the Companies are required to submit a proposal to their creditors to September 17, 2018. Attached hereto as **Exhibit “B”** to this my Affidavit is a copy of the August 2 Fee Approval Order.
6. During the NOI Proceedings, the Proposal Trustee has provided services and incurred disbursements with respect to services provided, in the amounts of \$120,283.75 and \$22,020.08, respectively (excluding HST) for the period from June 3, 2018 to October 31, 2018 (the “**Period**”). The Proposal Trustee’s disbursements consist of certain fees and disbursements of Aird & Berlis LLP (“**Aird**”), as independent counsel to the Proposal Trustee, in the amount of \$19,460.08 (excluding HST). The Proposal Trustee’s invoices include work undertaken by the Proposal Trustee to, among other things, assist the Companies in winding-down of the Companies’ operations, support the Companies in the development of a proposal to present to their creditors and convene/assist with the administration of the meeting of creditors to consider and vote on the Companies’ proposal, including the Proposal Trustee’s preliminary review of the proofs of claim and supporting documents filed by the Companies’ creditors. Attached hereto and marked as **Exhibit “C”** to this my Affidavit is a summary of all invoices rendered by the Proposal Trustee on a periodic basis during the Period (the “**Accounts**”).
7. True copies of the Accounts, which include a fair and accurate description of the services provided along with the hours and applicable rates claimed by the Proposal Trustee, are attached as **Exhibit “D”** to this my Affidavit.
8. The Proposal Trustee has previously filed three reports with the Court with respect to the NOI proceedings (the “**Previous Reports**”). Contemporaneous with the filing of this Affidavit, the Proposal Trustee is filing its fourth report to the Court with respect to the NOI proceedings (the “**Fourth Report**”). Details of the activities undertaken and services provided by the Proposal Trustee in connection with the NOI proceedings are described in the Previous Reports and the Fourth Report.
9. In the course of performing its duties pursuant to the provisions of the BIA, the Proposal Trustee’s staff has expended a total of 296.05 hours during the Period. Attached as **Exhibit “E”** to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the NOI Proceedings and the hours and applicable rates claimed by the Proposal Trustee for the Period. The average hourly rate billed by the Proposal Trustee during the Period is \$406.30.



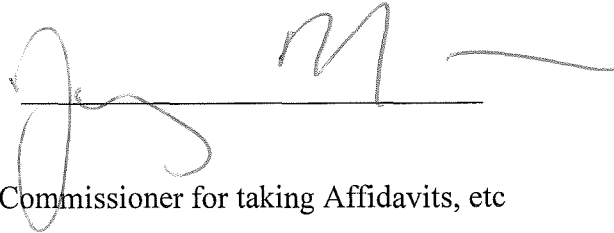
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ADAM SHERMAN

Sworn before me

this 16<sup>th</sup> day of November, 2018



Commissioner for taking Affidavits, etc