

24 septembre 2018

No dossier : 31-2363758 / 31-2363759

Avis de la proposition aux créanciers
(article 51 de la Loi)

**Dans l'affaire de la proposition de
Jones Canada, Inc. et Nine West Canada LP
de la ville de Toronto
dans la province de l'Ontario**

À l'attention des créanciers de Jones Canada, Inc. et Nine West Canada LP

Avis est donné que le 6 avril 2018, Jones Canada, Inc. (« **Jones Canada** ») et Nine West Canada LP (« **NW Canada LP** ») collectivement avec Jones Canada, les « **Compagnies NW Canada** », ont toutes deux déposé un avis de l'intention de faire une proposition (« **Avis d'intention** ») en vertu du paragraphe 50.4(1) de la *Loi sur la faillite et l'insolvabilité* (Canada) (la « **LFI** » ou la « **Loi** »). Richter Groupe Conseil Inc. a été nommé syndic à chaque Avis d'intention (le « **Syndic** »).

En vertu d'une ordonnance de la Cour supérieure de justice de l'Ontario (Chambre commerciale) (la « **Cour** ») datée 11 avril 2018, les procédures d'Avis d'intention des Compagnies NW Canada ont été consolidées administrativement et substantiellement, de telle sorte que les Compagnies NW Canada et le Syndic ont été autorisés à soumettre les Avis d'intention des Compagnies NW Canada comme une seule procédure.

Le 14 septembre 2018, les Compagnies NW Canada ont déposé une proposition conjointe (la « **Proposition** ») en vertu du paragraphe 62 de la Loi.

Une copie de la proposition, d'un état succinct des actifs et passifs des Compagnies NW Canada, une liste des créanciers visés par la proposition et le rapport du Syndic sur la proposition sont joints à la présente.

Une assemblée générale des créanciers sera tenue chez Stikeman Elliott LLP, au 5300 Commerce Court Ouest, 199 rue Bay, Toronto ON M5L 1B9, le 4 octobre 2018 à 11 heures.

Les créanciers ou toute catégorie de créanciers ayant droit de voter à l'assemblée peuvent, au moyen d'une résolution, accepter la proposition, telle que formulée ou telle que modifiée à l'assemblée. Si la proposition est ainsi acceptée et si elle est approuvée par le tribunal, elle deviendra obligatoire pour tous les créanciers ou pour la catégorie de créanciers visés.

Les preuves de réclamation, procurations et formulaires de votation dont l'usage est projeté à l'assemblée doivent nous être remis avant le début de l'assemblée des créanciers.

Richter Groupe Conseil Inc.
En sa qualité de Syndic agissant *in re* la proposition de
Jones Canada, Inc. et Nine West Canada LP
et non en son nom personnel

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CANADA
PROVINCE OF ONTARIO

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial List)

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

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.



- 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



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 spent 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]



DATED AT CITY OF NEW YORK, STATE OF NEW YORK

this 14th day of September, 2018

JONES CANADA, INC.

Per:

Name:

Title:



DATED AT CITY OF NEW YORK, STATE OF NEW YORK

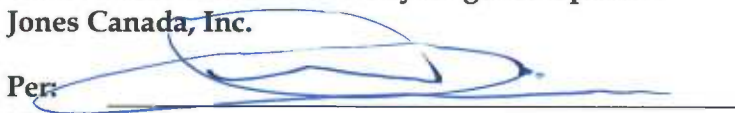
this 14th day of September, 2018

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

Per:

Name:

Title:



District de: Ontario
 No division: 09 - Toronto
 No cour: 31-2363759
 No dossier: 31-2363759

☒ original

☐ modifié

_ FORMULAIRE 78 _

Bilan - proposition déposée par une entité
 (paragraphe 49(2), alinéa 158d) et paragraphes 50(2) et 62(1) de la Loi)

Dans l'affaire de la proposition de
 Jones Canada, Inc. et Nine West Canada LP
 de la ville de Toronto
 dans la province de l'Ontario

Au débiteur :

Vous êtes tenu de remplir avec soin et exactitude le présent formulaire et les annexes applicables indiquant la situation des affaires de Jones Canada, Inc. et Nine West Canada LP à la date du dépôt de votre proposition (ou de l'avis d'intention) le 14 septembre 2018. Une fois rempli, ce formulaire et les listes annexées, constituent le bilan, qui doit être vérifié sous serment ou par une déclaration solennelle.

PASSIF (tel que déclaré et estimé par l'officier)		ACTIF (tel que déclaré et estimé par l'officier)	
1. Créanciers non garantis: voir liste A	37,545,862.05	1. Inventaire	0.00
Équilibre de réclamations garantis: voir liste "B"	0.00	2. Aménagements	0.00
Créanciers non garantis total	37,545,862.05	3. Comptes à recevoir et autres créances: voir liste E	
2. Créanciers garantis: voir liste B	3,999,268.41	Bonnes	0.00
3. Créanciers privilégiés: voir liste C	0.00	Douteuses	0.00
4. Dettes éventuelles, réclamations de fiducie ou autres (voir liste D) pouvant être réclamées pour une somme de ...	0.00	Mauvaises	0.00
Total du passif	41,545,130.46	Estimation des créances qui peuvent être réalisées	150,000.00
Surplus	NIL	4. Lettres de change, billets à ordre, etc., voir liste F	0.00
		5. Dépôts en institutions financières	14,805,261.37
		6. Espèces	0.00
		7. Bétail	0.00
		8. Machines, outillage et installation	0.00
		9. Immeubles et biens réels: voir liste G	0.00
		10. Ameublement	0.00
		11. REER, FERR, Assurances-vie etc	0.00
		12. Valeurs mobilières (actions, obligations, débetures etc.	0.00
		13. Droits en vertu de testaments	0.00
		14. Véhicules	0.00
		15. Autres biens: voir liste H	1.00
		Si le débiteur est une personne morale, ajoutez :	
		Montant du capital souscrit	0.00
		Montant du capital payé	0.00
		Solde souscrit et impayé	0.00
		Estimation du solde qui peut être réalisé	0.00
		Total de l'actif	14,955,262.37
		Déficit	26,589,868.09

Je, Ralph Schipani, de New-York, New York, étant dûment assermenté (ou ayant déclaré solennellement) déclare que le bilan qui suit et les listes annexées sont, à ma connaissance, un relevé complet, véridique et entier des affaires de Jones Canada, Inc. et Nine West Canada LP en ce 14 septembre 2018, et indiquent au complet tous les biens de quelque nature qu'ils soient, en la possession de Jones Canada, Inc. et Nine West Canada LP et réversibles, tels que définis par la Loi.

ASSERMENTÉ (ou déclaré solennellement)
 devant moi le 14 septembre 2018, à New York, New York.

(signé)

Pamela Berry, Commissaire à l'Assermentation
 Pour la province de l'Ontario
 Expire le

(signé)

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	2467847 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 Attn: LISA C	1750 AVENUE RD NORTH YORK ON M5M 3Y9	1.00	0.00	1.00
28	CITYWIDE DOOR & HARDWARE INC	80 VINYL COURT WOODBRIIDGE 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 O/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 Attn: 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

14-Sep-2018

Date

Ralph Schipani

District of: Ontario
Division No. 09 - Toronto
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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
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 19007 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. Attn: 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 19007 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 19007 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

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
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 Attr: 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

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
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 FAIRIEW 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

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
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	WORKSAFEBC	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	ZEBA KHAN	104 PARK STREET EAST MISSISSAUGA ON L5G 4W1	3,953.45	0.00	3,953.45
Total:			37,545,862.05	0.00	37,545,862.05

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 "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 Debts Due - Business - Accounts receivable Other - Intellectual property		3,999,268.41 0.00 0.00	10,805,992.96 150,000.00 1.00	
Total:			3,999,268.41			3,999,268.41	10,955,993.96	0.00

14-Sep-2018

Date



Ralph Schipani

RICHTER

CETTE FEUILLE DE RENSEIGNEMENTS EST FOURNIE AFIN DE VOUS AIDER À REMPLIR LE FORMULAIRE DE PREUVE DE RÉCLAMATION

- ☐ La preuve de réclamation doit être signée par l'individu qui la remplit.
- ☐ La signature du réclamant doit être attestée.
- ☐ Indiquer l'adresse complète (incluant le code postal) où tout avis et correspondance doivent être expédiés.
- ☐ Le montant sur le relevé de compte doit correspondre au montant réclamé sur la preuve de réclamation.

PARAGRAPHE 1 DE LA PREUVE DE RÉCLAMATION

- ☐ Si la personne qui complète la preuve de réclamation n'est pas le créancier lui-même, elle doit préciser son poste ou sa fonction.
- ☐ Le créancier doit déclarer la raison sociale complète de la compagnie ou du réclamant.

PARAGRAPHE 3 DE LA PREUVE DE RÉCLAMATION

- ☐ Un relevé de compte détaillé doit accompagner la preuve de réclamation et doit refléter les date, numéro de facture et montant de chaque facture ou charge, ainsi que les date, numéro et montant de tout crédit ou paiement. Un relevé de compte sera considéré comme incomplet si ce dernier commence avec un solde d'ouverture. Le créancier doit également indiquer ses adresse postale, numéro de téléphone, numéro de télécopieur et adresse électronique.

PARAGRAPHE 4 DE LA PREUVE DE RÉCLAMATION

- ☐ Un créancier non garanti (sous-paragraphe A) doit cocher ce qui s'applique en indiquant s'il revendique ou non un droit à un rang prioritaire en vertu de l'article 136 de la Loi sur la faillite et l'insolvabilité.
- ☐ Un créancier à titre de locateur suite à la résiliation d'un bail doit compléter le sous-paragraphe B et joindre tous les détails et les calculs.
- ☐ Un créancier garanti doit compléter le sous-paragraphe C et joindre les documents de garantie.
- ☐ Un agriculteur, un pêcheur ou un aquiculteur doit compléter le sous-paragraphe D.
- ☐ Un salarié doit compléter le sous-paragraphe E, le cas échéant.
- ☐ La partie F doit être complétée relativement à un régime de pension.
- ☐ Un créancier ayant une réclamation contre les administrateurs, lorsqu'une proposition le prévoit, doit compléter le sous-paragraphe G et y joindre tous les détails et les calculs.
- ☐ Un client d'un courtier en valeurs mobilières failli doit compléter le sous-paragraphe H.

PARAGRAPHE 5 DE LA PREUVE DE RÉCLAMATION

- ☐ Le réclamant doit indiquer **s'il est** ou **n'est pas lié** au débiteur, au sens de la définition de la Loi sur la faillite et l'insolvabilité, en rayant ce qui n'est pas applicable.

PARAGRAPHE 6 DE LA PREUVE DE RÉCLAMATION

- ☐ Le réclamant doit fournir une liste détaillée de tous les paiements reçus et/ou crédits accordés, soit :
 - a) au cours des **trois mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **ne sont pas liés**;
 - b) au cours des **douze mois** précédant l'ouverture de la faillite, dans le cas où le réclamant et le débiteur **sont liés**.

PROCURATION

- a) un créancier peut voter en personne ou par procuration;
- b) une débitrice ne peut être nommée à titre de fondée de pouvoir pour voter à toute assemblée des créanciers;
- c) le syndic peut être désigné à titre de fondé de pouvoir pour le bénéfice de tout créancier;
- d) afin qu'une personne dûment autorisée ait le droit de voter, elle doit elle-même être créancière ou détentrice d'une procuration dûment exécutée. Le nom du créancier doit apparaître sur la procuration.

T. 416.488.2345 / 1.888.805.1793
F. 514.934.8603

reclamations@richter.ca

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Toronto, ON M5J 2T3
www.richter.ca

Montréal, Toronto

(English – Over)



PREUVE DE RÉCLAMATION

(articles 50.1, 81.5 et 81.6, paragraphes 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2) et 128(1) et alinéas 51(1)e) et 66.14b) de la Loi)

Expédier tout avis ou toute correspondance concernant la présente réclamation à l'adresse suivante :

Dans l'affaire de la proposition de **Jones Canada, Inc. and Nine West Canada LP** de la ville de Toronto, province de ON, et de la réclamation de

_____, créancier.

Je soussigné, _____ (nom du créancier ou du représentant du créancier), de _____ (ville et province), certifie ce qui suit :

1. Je suis le créancier du débiteur susnommé (ou je suis _____ (préciser le poste ou la fonction) de _____ (nom du créancier ou de son représentant)).
2. Je suis au courant de toutes les circonstances entourant la réclamation visée par le présent formulaire.
3. Le débiteur était, à la date de l'avis d'intention, soit le 6 avril 2018, endetté envers le créancier et l'est toujours, pour la somme de _____ \$, comme l'indique l'état de compte (ou l'affidavit) ci-annexé et désigné comme l'annexe A, après déduction du montant de toute créance compensatoire à laquelle le débiteur a droit. (L'état de compte ou l'affidavit annexé doit faire mention des pièces justificatives ou de toute autre preuve à l'appui de la réclamation.)

4. (Cochez la catégorie qui s'applique et remplissez les parties requises.)

- ☐ A. RÉCLAMATION NON GARANTIE AU MONTANT DE _____ \$
(Autre qu'une réclamation d'un client visée par l'article 262 de la Loi)

En ce qui concerne cette créance, je ne détiens aucun avoir du débiteur à titre de garantie et :
(Cochez ce qui s'applique.)

- ☐ pour le montant de _____ \$, je ne revendique aucun droit à un rang prioritaire.
(« Créancier chirographaire »)
- ☐ pour le montant de _____ \$, je revendique le droit à un rang prioritaire en vertu de l'article 136 de la Loi.
(« Créancier privilégié »)

(Indiquez sur une feuille annexée les renseignements à l'appui de la réclamation prioritaire.)

- ☐ B. RÉCLAMATION DU LOCATEUR SUITE À LA RÉSILIATION D'UN BAIL, AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 65.2(4) de la Loi, dont les détails sont mentionnés ci-après.
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

- ☐ C. RÉCLAMATION GARANTIE AU MONTANT DE _____ \$

En ce qui concerne la créance susmentionnée, je détiens des avoirs du débiteur à titre de garantie, dont la valeur estimative s'élève à _____ \$ et dont les détails sont mentionnés ci-après :

(Donnez des renseignements complets au sujet de la garantie, y compris la date à laquelle elle a été donnée et la valeur que vous lui attribuez, et annexe une copie des documents relatifs à la garantie.)

- ☐ D. RÉCLAMATION D'UN AGRICULTEUR, D'UN PÊCHEUR OU D'UN AQUICULTEUR AU MONTANT DE _____ \$

J'ai une réclamation en vertu du paragraphe 81.2 (1) pour la somme impayée de _____ \$
(Veuillez joindre une copie de l'acte de vente et des reçus de livraison.)





E. RÉCLAMATION D'UN SALARIÉ AU MONTANT DE _____ \$

- ☐ J'ai une réclamation en vertu du paragraphe 81.3(8) de la Loi au montant de _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.4(8) de la Loi au montant de _____ \$

☐ F. RÉCLAMATION D'UN EMPLOYÉ RELATIVE AU RÉGIME DE PENSION AU MONTANT DE _____ \$

- ☐ J'ai une réclamation en vertu du paragraphe 81.5 de la Loi au montant de _____ \$
- ☐ J'ai une réclamation en vertu du paragraphe 81.6 de la Loi au montant de _____ \$

☐ G. RÉCLAMATION CONTRE LES ADMINISTRATEURS AU MONTANT DE _____ \$
(A remplir lorsque la proposition vise une transaction quant à une réclamation contre les administrateurs.)

J'ai une réclamation en vertu du paragraphe 50(13) de la Loi, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

☐ H. RÉCLAMATION D'UN CLIENT D'UN COURTIER EN VALEURS MOBILIÈRES FAILLI AU MONTANT DE _____ \$

J'ai une réclamation en tant que client en conformité avec l'article 262 de la Loi pour des capitaux nets, dont les détails sont mentionnés ci-après :
(Donnez tous les détails de la réclamation, y compris les calculs s'y rapportant.)

5. Au meilleur de ma connaissance, je suis lié (ou le créancier susnommé est lié) (ou je ne suis pas lié ou le créancier susnommé n'est pas lié) au débiteur selon l'article 4 de la Loi, et j'ai (ou le créancier susnommé a) (ou je n'ai pas ou le créancier susnommé n'a pas) un lien de dépendance avec le débiteur.

6. Les montants suivants constituent les paiements que j'ai reçus du débiteur, les crédits que j'ai attribués à celui-ci et les opérations sous-évaluées selon le paragraphe 2(1) de la Loi auxquelles j'ai contribué ou été partie intéressée au cours des trois mois (ou, si le créancier et le débiteur sont des « personnes liées » au sens du paragraphe 4 de la Loi ou ont un lien de dépendance, au cours des 12 mois) précédant immédiatement l'ouverture de la faillite, telle que définie au paragraphe 2(1) de la Loi. (Donnez les détails des paiements, des crédits et des opérations sous-évaluées.)

Daté le _____, à _____.

Signature du créancier

Signature du témoin

Numéro de téléphone : _____

Numéro de télécopieur : _____

Adresse électronique : _____

REMARQUE : Si un affidavit est joint au présent formulaire, il doit avoir été fait devant une personne autorisée à recevoir des affidavits.

AVERTISSEMENTS : Le syndic peut, en vertu du paragraphe 128(3) de la Loi, racheter une garantie sur paiement au créancier garanti de la créance ou de la valeur de la garantie telle qu'elle a été fixée par le créancier garanti dans la preuve de garantie.

Le paragraphe 201(1) de la Loi prévoit l'imposition de peines sévères en cas de présentation de réclamations, de preuves, de déclarations ou d'états de compte qui sont faux.

FORMULAIRE DE PROCURATION

(paragraphe 102(2) et alinéas 51(1)e) et 66.15(3)b) de la Loi)

Dans l'affaire de la proposition de **Jones Canada, Inc. and Nine West Canada LP**

Je, _____, de _____
(nom du créancier) (nom du village ou de la ville)

créancier dans l'affaire susmentionnée, nomme _____ de _____,

mon fondé de pouvoir à tous égards dans l'affaire susmentionnée, sauf la réception de dividendes, celui-ci _____
(étant ou n'étant pas) habilité à nommer un autre fondé de pouvoir à sa place.

Daté le _____, à _____.

Signature du créancier

Par : _____
Nom et titre du signataire autorisé

Signature du témoin

CANADA
Province de l'Ontario
District de : Ontario
No division: 09-Toronto
No cour : 31-2363759
No dossier : 31-2363759

COUR SUPÉRIEURE DE JUSTICE
Rôle commercial
En matière de faillite et d'insolvabilité

FORMULAIRE DE VOTATION
(proposition déposée en vertu de la section I)
(alinéa 51(1)f) de la Loi)

Dans l'affaire de la proposition de
Jones Canada, Inc. and Nine West Canada LP

Je, _____, créancier
(ou Je, _____, représentant de _____ créancier)
de _____ (nom de la ville), créancier dans l'affaire susmentionnée à
l'égard de la somme de _____ \$, demande au syndic agissant relativement à la proposition
de **Jones Canada, Inc. and Nine West Canada LP**, de consigner mon vote _____ (en
faveur de ou contre) l'acceptation de la proposition faite le 14 septembre 2018.

Daté le ____ jour de _____ 201____, à _____.

Nom du créancier (personne physique)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne physique)

Signature du témoin

- OU -

Nom du créancier (personne morale)
(Veuillez écrire en lettres moulées)

Signature du créancier (personne morale)

Signature du témoin

Nom et titre du signataire autorisé
(Veuillez écrire en lettres moulées)

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Montréal, Toronto

(English – Over)



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):

Nine West Canada LP Historical Financial Results				
	2 Months Ended		Year Ended	
(In 000's)		Feb 18		Dec 17 Year Ended Dec 16
Net Sales	\$	6,462	\$	50,186 \$ 59,745
Gross Profit		2,521		20,932 21,119
Expenses		4,313		24,168 29,519
EBITDA from Operations	\$	(1,792)	\$	(3,236) \$ (8,400)

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:

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

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:

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

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.

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.

Dated at Toronto, Ontario, this 24th 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