

SUPREME COURT  
OF BRITISH COLUMBIA  
VANCOUVER REGISTRY

DEC 12 2012

ENTERED



No. S117081  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C.  
1985, c. C-44

AND

IN THE MATTER OF *STERLING SHOES INC.* and *STERLING SHOES GP INC.*

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE	)	THE HONOURABLE	)	Wednesday, the 12 <sup>th</sup> day of
	)	MR. JUSTICE PEARLMAN	)	December, 2012
	)		)	

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on the 12<sup>th</sup> day of December, 2012, AND ON HEARING ~~Peter Rubin~~ and Andrew Crabtree on behalf of the Petitioners, and those counsel listed on Schedule "A";

THIS COURT ORDERS that:

1. Sterling Shoes GP Inc. ("**GP Inc.**"), with the assistance of Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor of the Petitioners and Sterling Shoes Limited Partnership (the "**Partnership**") (the "**Monitor**"), is hereby authorized to make one or more distributions to Creditors having Allowed Claims (as such terms are defined in the Order of the Court, dated April 2, 2012 (the "**Claims Process Order**")) against GP Inc. or the Partnership, provided that GP Inc. shall at all times reserves sufficient funds to:

- (a) make pro rata distributions to holders of disputed Claims (as such term is defined in the Claims Process Order) against GP or the Partnership, based on (i) the amounts of such Claims as set forth in the applicable Proof of Claim or Landlord

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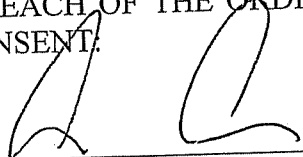
Proof of Claim, and (ii) the total amount available for distribution to the creditors of GP Inc. and the Partnership;

- (b) satisfy any claims referred to in subsections 6(3), (5) and (6) of the *Companies' Creditors Arrangement Act*; and
- (c) pay all outstanding and anticipated administration costs to the conclusion of this proceeding.

2. GP Inc. shall not make any distributions to the creditors of Sterling Shoes Inc., which creditors include, but are not limited to, Computershare Trust Company of Canada, in trust for the registered holders of 6.5% convertible unsecured debentures due on October 31, 2012 or any registered or beneficial holders thereof.

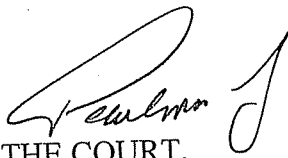
3. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of  
[ ] party [X] lawyer for the Petitioners  
Peter Rubin

ts/



BY THE COURT.



Registrar

**Schedule "A"**

**List of Counsel**

Name of Counsel	Party
Kibben Jackson	The Monitor, Alvarez & Marsal Canada Inc.