

No. S-171026
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
SHOEME TECHNOLOGIES LIMITED.

DEANS KNIGHT CAPITAL MANAGEMENT LTD.

PETITIONER

- and -

SHOEME TECHNOLOGIES LIMITED

RESPONDENT

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
JUSTICE DAVIES)
GRAUER)

WEDNESDAY, THE 15th DAY
OF FEBRUARY, 2017

ON THE APPLICATION of Alvaraz & Marsal Canada Inc., in its capacity as Receiver of Shoeme Technologies Limited (the "Receiver") coming on for hearing at Vancouver, British Columbia, on February 15, 2017; AND ON HEARING Elly Bahrami, counsel for the Receiver and those other parties listed in **Schedule "A"** attached hereto:

THIS COURT ORDERS AND DECLARES THAT:

1. The sale of the inventory and fixtures of Shoeme Technologies Limited (the "Debtor") contemplated by the Bill of Sale attached as **Schedule "B"** hereto and any non-material amendments thereto (the "Bill of Sale"), on the terms and conditions set out in the Bill of Sale among the Receiver and Maynards Industries Ltd. ("Maynards"), for a total purchase price of \$206,750, is hereby approved and the Bill of Sale is commercially reasonable.

2. The execution of the Bill of Sale and any non-material amendments thereto by the Receiver is hereby authorized and approved and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the sale of the Debtor's assets (the "**Purchased Assets**") in connection with the Bill of Sale.

3. Upon the closing of the transaction contemplated by the Bill of Sale, all of the Debtor's right, title and interest in and to the Purchased Assets shall be vested absolutely in Maynards in fee simple, free and clear from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limitation: (i) any encumbrances or charges created by Order of this Court dated February 3, 2017; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system and, for greater certainty, this Court orders that any such security interests affecting or related to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the closing of the transaction contemplated by the Bill of Sale, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. Notwithstanding:

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

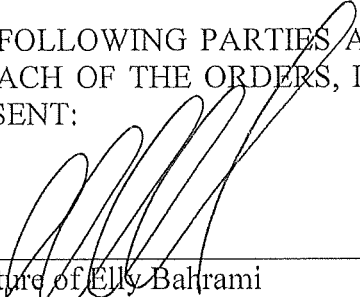
(c) any assignment in bankruptcy made by or in respect of the Debtor,

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

6. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.


7. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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 Elly Bahrami

☐ Party ☒ Lawyer for the Receiver


BY THE COURT



REGISTRAR



Schedule "A"

Lawyer

Magnus Verbrugge

John Sandrelli

William Stransky, Articled
Student

Party Represented

Alvaraz + Marsal Canada Inc.

Deans Knight Capital
management Ltd.

Deans Knight Capital
management Ltd.

Schedule "B" – Bill of Sale

Please see attached.

BILL OF SALE (ABSOLUTE)

This Bill of Sale (Absolute) dated as of the ____ day of February, 2017.

BETWEEN

ALVAREZ & MARSAL CANADA INC., in its capacity as
court-appointed Receiver of Shoeme Technologies Limited, and
not in its personal capacity,

(the “Vendor”)

AND

MAYNARDS INDUSTRIES LTD.,

(the “Purchaser”)

WHEREAS:

A. On February 3, 2017, Alvarez & Marsal Canada Inc. was appointed, by Order pronounced by the Honourable Mr. Justice MacIntosh of the Supreme Court of British Columbia, as receiver of all of the right, title and interest in and to the assets and undertakings of Shoeme Technologies Limited. (the “**Debtor**”).

B. On February ____, 2017, the Honourable _____ approved the sale of all tangible personal property of the Vendor located at the Vendor’s two retail locations in Vancouver, British Columbia and Toronto, Ontario (the “**Purchased Assets**”).

C. The Vendor is possessed of the Purchased Assets described in this Bill of Sale (Absolute).

D. The Vendor has agreed with the Purchaser for the absolute sale to the Purchaser of the Purchased Assets upon the terms and conditions and for the consideration set forth in this Bill of Sale (Absolute).

In consideration of the payment by the Purchaser to the Vendor of the sum of TWO HUNDRED SIX THOUSAND SEVEN HUNDRED AND FIFTY CANADIAN DOLLARS (CAD \$206,750) paid by the Purchaser to the Vendor at or before the execution and delivery of this Bill of Sale (Absolute), the receipt and sufficiency of which the Vendor hereby acknowledges, the Vendor hereby sells, assigns, transfers and sets over all and singular the Purchased Assets and all the right, title, interest, property, claim and demand of the Vendor in and to the Purchased Assets unto the Purchaser on the following terms and conditions:

1. **Transfer.** The Vendor hereby sells, assigns, transfers, conveys and sets over unto the Purchaser all the right, title, interest, if any, of the Vendor in and to the Purchased Assets.

2. **Condition of Purchased Assets.** The Vendor and the Purchaser hereby acknowledge and agree that the Purchased Assets are being sold, assigned and transferred by the Vendor and purchased by the Purchaser on an "as is, where is" basis and that the Vendor makes no representation, warranty, statement or promise, as to the condition, fitness for any particular purpose or use, suitability, durability, quantity, quality or value of the Purchased Assets. The Purchaser has made its own inspection and investigation with respect to the Purchased Assets and is accepting a transfer of the Vendor's interest in the Purchased Assets on that basis.
3. **Representations, Warranties and Covenants.** The Purchaser acknowledges and agrees that the Vendor makes no representation, warranty, statement or promise with respect to the Purchased Assets.
4. **Acknowledgement regarding Vendor.** The Purchaser acknowledges that the Vendor is acting only in its representative capacity as a Court-appointed Receiver and that the Vendor shall have no liability under or as a result of entering into this Bill of Sale (Absolute) or carrying out the transaction which is the subject of this Bill of Sale (Absolute) as the Vendor except in such capacity, and without limitation to the generality of the foregoing, the Vendor shall have no liability under or as a result of entering into or carrying out of the transactions subject to this Bill of Sale (Absolute) in its personal capacity.
5. **Taxes.** The Purchaser will pay, in addition to the Purchase Price, social services tax, goods and services tax and any such other applicable taxes in connection with the purchase by it of the Purchased Assets pursuant to this Bill of Sale (Absolute).
6. **Enurement.** This Bill of Sale (Absolute) and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.
7. **Severability.** The invalidity and unenforceability of any provision of this Bill of Sale (Absolute) or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any invalid provision or covenant shall be deemed to be severable.
8. **Governing Law.** This Bill of Sale (Absolute) shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
9. **Counterparts.** This Bill of Sale (Absolute) may be executed in any number of original or facsimile counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Bill of Sale (Absolute) as of the day and year first written above.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as court-appointed Receiver of
Shoeme Technologies Limited, and not in its
personal capacity

By: _____
Authorized Signatory

MAYNARDS INDUSTRIES LTD.

By: _____
Authorized Signatory

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