

 ONLINESHOES
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 SHOES.COM

Case No. 17-2-02462-7 SEA
Superior Court - Washington



Shoes.com, Inc. Onlineshoes.com Inc.

Inverness Group, as Receiver
Case No. 17-2-02462-7 SEA

Receiver's Report
Order Date February 2, 2017
Through May 31, 2017

June 30, 2017



Contents

- A. Overview
- B. RCW 7.60.100 Receiver's reports:
 - a) Balance sheet;
 - b) Statement of income and expenses;
 - c) Statement of cash receipts and disbursements;
 - d) Statement of accrued accounts receivable (post-filing) of the receiver. The statement shall disclose amounts considered to be uncollectible;
 - e) A statement of accounts payable of the receiver, including professional fees. The statement shall list the name of each creditor and the amounts owing and remaining unpaid over thirty days; and
 - f) A tax disclosure statement, which shall list post-filing taxes due or tax deposits required, the name of the taxing agency, the amount due, the date due, and an explanation for any failure to make payments or deposits.
- C. Subsequent Events – The sale of substantially all of the tangible assets of the receivership Debtors (Shoes.com, Inc. and Onlineshoes.com Inc.), excluding books and records, A/R, and certain claims per the sale documents, was completed following competitive bidding and an auction among bidders held per the Court's orders on March 28, 2017. The sale was approved by the Court on April 3, 2017, and closed on April 21, 2017. The sale amount was \$7,050,000 (in excess of projected sale proceeds of \$4,527,000), and is subject to a maximum downward only adjustment of \$419,503 (including \$210,000 escrowed), subject to final inventory count and reconciliation. The Receiver is in the process of making demand against open A/R debtors, and is unable to determine the value of this remaining A/R asset at this time. In addition, the Receiver has not determined the potential net value to the estate of its claim in pending litigation in New York; An Order approving a Stipulated Discontinuance, without prejudice and with tolling to allow for re-filing of the claim by March 16, 2018, was entered in the case on June 8, 2017.
- D. Per the Court's June 12, 2017 Order, the Receiver made an initial distribution against the Wells Fargo secured claim in the amount of \$4,222,092.09, subject to adjustment and recovery of unfunded standby L/C obligation. The payment to Wells Fargo represents a preliminary distribution, and is also subject to final reconciliation of Wells Fargo's post-Order attorneys' fees.
- E. Schedules

Case No. 17-2-02462-7 SEA
Superior Court - Washington



Overview

1. The Receiver was appointed by the Court per the Stipulated Order Appointing General Receiver - Order entered 2/2/17 (the "Order"), following the shutdown of the Companies by ownership and management on 1/27/17. The Receiver directed the preparations for the sale of the Assets (substantially all assets of Shoes.com, Inc. and Onlineshoes.com Inc. (collectively, the "Debtors"), excluding accounts receivable) and completed the competitive sale process per the Court's Order approving sale procedures, entered on 3/8/17. The sale was completed, and the net result (\$7,050,000, subject to a maximum potential downward adjustment of \$419,503 or approx. 6%) was approved by the Court on 4/3/17, and closed and funded on 4/21/17.
2. The pre-receivership operations of the receivership Debtors were suspended, and all employees were terminated, by Debtors' management on 1/27/17, prior to the Order. Based on the analysis by the Receiver, the determination was made not to restart operations of the Debtors, but to initiate the immediate sale of the Debtor's businesses and/or assets under a competitive process to ensure best value to estate creditors.
3. The Receiver timely filed Schedules in the case, and prepared and developed its initial budget providing for estimated costs of the sale process and other administrative requirements through 5/5/17. Through the course of the budget, net (pre-add'l value of the inventory adjustment) sale proceeds and favorable cost variance in the case exceeded the net cash recovery estimate per the budget by \$1.9mm (Sch B c-1).
4. A claims procedure was established in the case, and the Orders, POC instructions, and other information materials were posted to the Receiver's Creditor Information Page (<http://inverness.us/receivership-shoes-com-onlineshoes-com>) for access by creditors and other parties.
5. The Receiver completed the sale process (Auction among Qualified Bidders on 3/28/17), and completed the final sale and Closing pursuant to orders entered in the case by the Court. The Receiver will continue collection efforts to complete the disposition of the Accounts Receivable, and will reflect the results of these efforts, in subsequent reporting to the Court.
6. Per the Court's 6/12/17 Order, the Receiver completed an Initial Distribution, paying the secured claim of Wells Fargo Bank in the amount of \$4,222,092.09. The payoff is subject to a recovery of unfunded standby L/C liability (approx. \$292,000) following expiration of the standby L/C on 6/25/17. The payment to Wells Fargo represents a preliminary distribution, and is also subject to final reconciliation of Wells Fargo's post-Order attorneys' fees.

Overview

7. A pre-receivership litigation matter filed by Onlineshoes.com Inc. against Wells Fargo Merchant Services, Inc., a credit card processing provided, was pending in the NY court, and a stay was in effect through June 8, 2017. The Receiver sought and received extensions of the stay since February, 2017, and on June 8, 2017, the Court approved a stipulated discontinuance of the litigation, without prejudice or costs to neither party. The Court's Order provides for tolling through 3/30/18, preserving the claim by allowing the holder of the Plaintiff's (Onlineshoes.com, Inc.) claims to prosecute a new action based on the original allegations. The Receiver expects to recover a substantial portion (approx. \$95,000) of the reserves balance held by the Defendant at 5/31/17 (\$116,000), subject to final reconciliation of returns chargebacks.
8. Reconciliation of claims filed in the case is continuing, and an extension of the Automatic Stay (to 9/22/17) was approved by the Court on 6/29/17.
9. The Bar date for claims to be filed by state agencies is 8/25/17.

RCW 7.60.100 Report Items

Schedules provided per RCW 7.60.100 (Receiver's Reports) are attached and include the following:

Sch B(a)	-	Balance sheet
Sch B(b)	-	Statement of income and expenses
Sch B(c)	-	Statement of cash receipts and disbursements
Sch B(c-1)	-	Supplemental Schedule – Variance Report (Actuals to Budget) through 5/5/17
Sch B(d)	-	Statement of accrued accounts receivable of the receiver.
Sch B(d-1)	-	Supplemental Schedule – Pre-Receivership A/R
Sch B(e)	-	Statement of accounts payable of the receiver, including professional fees. The statement shall list the name of each creditor and the amounts owing and remaining unpaid over thirty days
Sch B(f)	-	A tax disclosure statement, which shall list post filing taxes due or tax deposits required
Supplemental Schedule	-	April 21, 2017 Sale – Closing Statement and Reconciliation of Net Proceeds

Balance Sheet at May 31, 2017



Shoes.com, Inc. / Onlineshoes.com Inc.
31-May-17

Category (Book Value Used where noted by *)	Description / Location	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Adjustments - 5/1/17 to 5/31/17	Book Value at 5/31/17	Estimated Value at 5/31/17
Assets							
Cash and Bank accounts:							
Receiver Disb Acct USB 7060	-	10	218,692	(4,849)	44,189	39,340	39,340
Receiver MMA Sale Acct USB 8887	-	-	1,357,069	6,590,903	(249,728)	6,341,175	6,341,175
OLS Master Dep Acct - Wells 5678	-	62,873	870	870	717	1,586	1,586
OLS Master Oper Acct - Wells 5686	-	6,456	122,552	36,000	(36,000)	-	-
OLS Manual P/R - Wells 5567	-	-	-	-	-	-	-
Shoes.com, Inc. Oper Acct - Wells 5592	-	-	-	-	-	-	-
Other Cash / Accounts	-	-	-	-	-	-	-
Total Cash Balance		69,339	1,699,181	6,622,923	(240,822)	6,382,101	6,622,923
Inventory: Note 1	Groveport, OH Warehouse	11,062,346	11,062,346	-	-	-	-
Inventory: Note 1	Amazon Locations (Multiple)	417,150	347,806	-	-	-	-
Inventory: Note 1	Red Wing Stores - 2 (Virginia)	595,929	595,929	-	-	-	-
Amazon / ASE Account Balance (net of Est Fees)	Note 2			28,662		28,662	(5,557)
Amazon: Post 3/28 Rec Adj per Sale Closing				(34,219)	(34,219)	(68,439)	
Accounts Receivable: Note 2		1,426,255	1,309,081	1,308,499	(123,133)	1,185,365	-
Sale - Closing Reserve (subject to Inventory Adjustment)	Note 1			419,503		419,503	90,000
Equipment: (Net of Accumulated Depreciation) Note 3		1,202,782	1,202,782	-	-	-	-
Goodwill / Other Intangibles IP		200,000	200,000	-	-	-	-
Prepaid Insurance and Other Expenses: *	Insurance / Other Prepays	83,000	76,083	-	-	-	-
Deposits *		51,596	48,171	48,171	5,000	53,171	
Total Assets		15,108,397	16,541,379	8,393,539	(393,175)	8,000,364	6,707,366

Balance Sheet at May 31, 2017



Shoes.com, Inc. / Onlineshoes.com Inc.
31-May-17

Category (Book Value Used where noted by *)	Description / Location	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Adjustments - 5/1/17 to 5/31/17	Book Value at 5/31/17	Estimated Value at 5/31/17
Liabilities							
Accounts Payable							
A/P - Pre-Receivership (Unsecured)		16,198,921	16,198,921	16,198,921		16,198,921	Subject to Claims Reconciliation
A/P - Post-2/2/17 (Admin)		100	-	-		-	
Pre-Receivership Unfunded 401k Withholds		19,360	19,360	19,360		19,360	Subject to Claims Reconciliation
Pre-Receivership Wages and Employee-Related Payables		172,698	172,698	172,698		172,698	Subject to Claims Reconciliation
Pre-Receivership Taxes Payable		2,289,701	2,289,701	2,289,701		2,289,701	Subject to Claims Reconciliation
Accrued Receiver Admin Expense + Deposits			-	-		-	
Accrued Receiver Fees / Expense per Notice		47,749	55,861	70,834	(11,869)	58,964	
Accrued Receiver Counsel Fees / Expense - Per Notice		20,818	51,904	77,094	(35,738)	41,356	
Advance - Opening Deposit USB 7060 (Rec Disb Acct)			10	10		10	
Accrued IT / Storage - Server Access (Digital Fortress)		5,676	9,176	849	(849)	-	
Accrued Contractor Fees / Expense - Per Canada Rec		11,474	19,474	24,050	849	24,899	
Accrued Admin Exp - Facilities		-	93,000	112,897	(72,062)	40,835	
Accrued Admin Exp - Utilities / Other			8,000	13,118	(13,114)	4	
Sale: Bid Deposits Payable			1,512,000	-	-	-	
SubTotal - Accrued Receivership Admin		85,717	1,749,425	298,852	(132,783)	166,069	298,852
Other Unsecured Claims per Schedules		52,762,844	52,762,844	52,762,844		52,762,844	Subject to Claims Reconciliation

Balance Sheet at May 31, 2017



Shoes.com, Inc. / Onlineshoes.com Inc.
31-May-17

Category (Book Value Used where noted by *)	Description / Location	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Adjustments - 5/1/17 to 5/31/17	Book Value at 5/31/17	Estimated Value at 5/31/17
Secured Liabilities							
	Wells Fargo Bank	4,150,000	4,157,118	4,195,771	26,321	4,222,092.09	Subject to Claims Reconciliation
	Dan Gerler, an Individual	3,000,000	3,000,000	3,000,000		3,000,000	Subject to Claims Reconciliation
	Deans Knight Capital Management Ltd.	7,500,000	7,500,000	7,500,000		7,500,000	Subject to Claims Reconciliation
	Caleres Investment Company, Inc.	7,500,000	7,500,000	7,500,000		7,500,000	Subject to Claims Reconciliation
	Geodis (formerly Ozburn-Hessey Logistics, LLC)	700,000	700,000	700,000	127,537	827,537	Subject to Claims Priority - Per 6/12/17 Order
	Other		-	-		-	
	SubTotal - Secured Liabilities	22,850,000	22,857,118	22,895,771	153,858	23,049,629	
	Total Liabilities	94,379,341	96,050,068	94,638,147	21,075	94,659,222	
	Equity	(79,270,944)	(79,508,688)	(86,244,608)	(414,250)	(86,658,858)	
	Total Liabilities & Equity	15,108,397	16,541,379	8,393,539	(393,175)	8,000,364	

Note 1: Inventory Adjustment per PSA, subject to final count (Escrow acct \$210,000 held separately by Bush Strout Seattle)

Note 2: ASE account balance, offset by Amazon payments for post-sale inventory liquidations (post-3/28 payments due to Buyer)

Note 3: A Wells Fargo Merchant Services Credit Card Reserve balance is estimated at \$110,000 and is not included on the Balance Sheet as it has been included in pending litigation brought by Onlineshoes.com Inc. Litigation is pending at 5/31/17, and an Order was entered in the case on 6/8/17 providing for the discontinuance of the litigation without prejudice and without costs to any party. Tolling through 3/30/18 is also provided by the Order, preserving the claim by allowing the holder of the Plaintiff's (Onlineshoes.com, Inc.) claims to prosecute a new action based on the original allegations. The Receiver expects to recover a substantial portion of the reserves balance held at 5/31/17 (\$95,000).

**Income Statement
through May 31, 2017**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA
Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
to May 31, 2017

	February 2, 2017 (Order Date) to February 28, 2017	March 1 - 31, 2017	April 1 - 30, 2017	May 1 - 31, 2017	Total - to May 31, 2017
Revenues / Invoicing	-	69	114	-	183
Subject to Reconciliation of Amazon Location Inv Sales					
Expenses					
Expense (Cash / Accrued)					
50000 · Expenses					
Contractor Services (Canadian Receiver / Shared - US Rec Portion (est - subject to Invoice)	11,474	24,050	6,390	-	41,914
Computer Services - Digital Fortress Co-Lo / Shared / Storage - US Rec Portion	5,676	849	5,614	-	12,139
51000 · Receivership Admin Exp					
51100 · Rec - Fees per Fee Ap	46,350	33,113	68,438	54,450	202,350
51200 · Rec - Expenses per Fee Ap	1,399		2,396	4,514	8,310
51300 · Receivers Bond	100				100
51400 · Rec - Legal Fees/Exp per Fee Ap	20,818	51,904	77,094	41,356	191,172
Total 51000 · Receivership Admin Exp	68,667	85,017	147,928	100,321	401,932
Bank Service Charges	3,095	1,082	1,133	1,168	6,479
Facilities Leases		93,000	19,897	-	112,897
Utilities		8,000	5,118	-	13,118
Other - GEODIS Sale / Inventory Related Exp		2,400	5,441	-	7,841
Total 50000 - Expenses	88,912	214,398	191,521	101,488	596,320
Total Pre-Tax Income (Expense)	(88,912)	(214,329)	(191,408)	(101,488)	(596,137)

Cash Receipts & Disbursements
May 1 - 31, 2017

Shoes.com, Inc. / Onlineshoes.com Inc.
 No. 17-2-02462-7 SEA
 Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
 May 1 - 31, 2017

Date	Number	Name	Memo	Amount	Balance
Wells Fargo - OLS Master Deposit Acct 5678					
Opening Balance					869.52
Deposits					
31-May			2100 · Pre-Rec A/R	884.72	
Debits					
11-May		Merchant Bankcard	52100 · Bank Service Charges	(167.94)	
Balance					1,586.30

Wells Fargo - OLS Master Deposit Acct 5686					
Opening Balance					36,000.00
Deposits					
18-May			Client Analysis Chg per Stmt - Reverse	1,145.57	
				1,145.57	
Debits					
11-May		Bank Service Chgs	Client Analysis Chg per Stmt	(1,145.57)	
18-May		Bank Service Chgs	Client Analysis Chg per Stmt	(1,000.00)	
19-Apr		Transfer to USB 7060	ASE Acct Transfer - post-3/28 Inv Sales - Amazon	(35,000.00)	
				(37,145.57)	
Balance					-

Receiver Disbursement-USB 7060					
Opening Balance					(4,848.71)
Deposits					
9-May	11037	Big Box Property Owner E, LLC	Funds Transfer-8887 to 7060 - Rec Admin Costs	250,000.00	
9-May			Funds Transfer-From Wells Disb Acct - ASE Funds / Amazon	35,000.00	
				285,000.00	
Debits					
9-May	11037	Big Box Property Owner E, LLC	2250 Spiegel - Groveport Inv 032017 March 2017	(72,061.96)	
10-May	11038	Oswego Group LLC	Inv 006 - 009 Mar 5 - Apr 1 Fee Notice 4/27/17	(70,833.94)	
10-May	11039	Schwabe, Williamson & Wyatt, PC	Inv #1458939 Fee Notice 4/27/17	(77,093.56)	
10-May	11041	Leonard Law Group	Leonard Law - Retainer / Eng Agr 4/28/17 - Conflicts Counsel	(5,000.00)	
16-May	11040	NAVIS Pack and Ship	Move Servers - Dig Fort to Schwabe Inv 838019	(1,722.36)	
17-May	11043	Digital Fortress	144075	(984.80)	
19-May	11042	South Central Power Co.	Shoes.com - Receiver - Invoices Feb 2 - Apr 30 F	(8,349.00)	
25-May	11044	Columbia Gas of Ohio	Shoes.com - Invoices to 4/27/17 Final	(535.71)	
29-May	11045	South Central Power Co.	FinalBill - 01-108-014-053-006-4	(220.00)	
29-May	11046	ADT Security Services	Invoices per Schedule - 2/2/17 - 4/18/17	(4,009.76)	
				(240,811.09)	

Cash Receipts & Disbursements
May 1 - 31, 2017

Shoes.com, Inc. / Onlineshoes.com Inc.
 No. 17-2-02462-7 SEA
 Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
 May 1 - 31, 2017

Date	Number	Name	Memo	Amount	Balance
Balance					39,340.20
Receiver Sale MMA-USB 8887					
Opening Balance					6,590,902.64
Deposits					
	31-May		Interest	272.01	
				<u>272.01</u>	
Debits					
	9-May Transfer	Bid Deposits	Funds Transfer-8887 to 7060 - Rec Admin Costs	(250,000.00)	
				<u>(250,000.00)</u>	
Balance					6,341,174.65
Total Cash Balance at 5/31/17					6,382,101.15

**Variance Report
Actual to Budget Disbursements
through 5/5/17**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA
Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
5-May-17

US\$	Budget Feb 2 - 28	Actual Feb 2 - 28	Variance	Budget Mar 1 - 31	Actual Mar 1 - 31	Variance	Budget Apr 1 - May 5	Actual Apr 1 - May 5	Variance	Variance Feb 2 to May 5
Inventory Sales - - Cash Receipts Note 1										
Shoes.com, Inc. / Onlineshoes.com (Ohio) Est Liq	-	-	-	4,776,361	-	(4,776,361)	-	5,050,000	5,050,000	20,440
American Shoe Emporium LLC (net) Est Liq	-	-	-	253,199	-	(253,199)	-	-	-	-
Net Liquidation Costs 10%	-	-	-	(502,956)	-	502,956	-	(39,777)	(39,777)	463,179
Inventory Adjustment Reserve (\$210k in Escrow)	-	-	-	-	-	-	-	(419,503)	(419,503)	(419,503)
Total Inventory Sales - Note 5	-	-	-	4,526,604	-	(4,526,604)	-	4,590,720	4,590,720	64,116
Other Dispositions Cash Receipts										
A/R CC Collections - Shoes.com / Onlineshoes.com	374,688	65,911	(308,777)	374,688	1,174	(373,514)	-	582	582	(681,709)
ASE - Amazon Current Sales / Receipts	20,000	-	(20,000)	14,000	116,000	102,000	-	36,000	36,000	118,000
Cash Receipts - Fixed Asset Sales	-	-	-	100,000	-	(100,000)	-	-	-	(100,000)
Cash Receipts - IP (subj to allocation)	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000
Other Cash Receipts	16,687	16,687	0	-	69	69	-	114	114	183
Total Cash Receipts	411,375	82,598	(328,777)	488,688	117,243	(371,445)	-	2,036,696	2,036,696	1,336,473
Total Cash Receipts	411,375	82,598	(328,777)	5,015,292	117,243	(4,898,049)	-	6,627,416	6,627,416	1,400,590
Cash Disbursements										
Pre-Receiverhip Claims										
Pre-Receiverhip Employee Claims / Wages - Exp Reimb	-	-	-	-	-	-	-	-	-	-
Unfunded 401K and Med Ins at Shutdown n (Empl Deductions - Est.)	30,000	-	(30,000)	-	-	-	-	-	-	(30,000)
Receiverhip Costs - 2/2 through 5/5/17										
Contract Staffing (through Canada Rec / contracts)										
Finance / Sale Support	21,760	-	(21,760)	9,120	-	(9,120)	20,000	-	(20,000)	(50,880)
Inventory Sales	-	-	-	-	-	-	-	-	-	-
IT / Systems	2,800	-	(2,800)	-	-	-	-	-	-	(2,800)
Maintenance / Other	-	-	-	-	-	-	-	16,053	16,053	16,053
SubTotal - Contract Staff	24,560	-	(24,560)	9,120	-	(9,120)	20,000	16,053	(3,947)	(37,627)
Other Operating and Admin Costs										
3pl - Interim/ Inventory Control	20,000	-	(20,000)	20,000	2,400	(17,600)	-	-	-	(37,600)
Utilities / Bank Service Charges	-	3,095	3,095	-	1,082	1,082	-	1,133	1,133	5,311
Shared Facility / Systems Costs (Vancouver / IT)	10,000	-	(10,000)	7,400	-	(7,400)	2,400	7,500	5,100	(12,300)
WA Co-fo / IT Services - Dig Fortress	7,500	-	(7,500)	10,500	-	(10,500)	-	3,781	3,781	(14,219)
Leases	-	-	-	78,522	-	(78,522)	78,522	-	(78,522)	(157,044)
Warehouse / Services - Equipment Rental	15,000	-	(15,000)	15,000	-	(15,000)	-	-	-	(30,000)
Administrative Costs	-	-	-	-	-	-	-	-	-	-
Insurance - G/L	2,500	-	(2,500)	2,500	-	(2,500)	-	-	-	(5,000)
Insurance - Personal Property	15,000	-	(15,000)	15,000	-	(15,000)	-	-	-	(30,000)
SubTotal - Operating and Admin Costs	70,000	3,095	(66,905)	148,922	3,482	(145,440)	80,922	12,414	(68,508)	(280,852)
Sale Costs (Subject to Review / Liq Costs Only incl Above)										
Inv. Broker (Out of Pocket Exp Only / Transaction Fee subject to Contract Sale Proceeds Minimum)	-	-	-	-	-	-	-	-	-	-
Sale Process - Legal / IT Support (subject to Sale Process Requirement)	-	-	-	-	-	-	-	-	-	-
Contract (technical staff) Support - Sale Process / Prelim Inv Count Pre-Closing (50%)	-	-	-	-	-	-	-	5,441	5,441	5,441
SubTotal - Sale Costs	-	-	-	-	-	-	-	5,441	5,441	5,441

**Variance Report
Actual to Budget Disbursements
through 5/5/17**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA
Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
5-May-17

US\$	Budget Feb 2 - 28	Actual Feb 2 - 28	Variance	Budget Mar 1 - 31	Actual Mar 1 - 31	Variance	Budget Apr 1 - May 5	Actual Apr 1 - May 5	Variance	Variance Feb 2 to May 5
Receivership Administrative Costs										
Receiver Fees - Subject to Payment Procedure	56,425	-	(56,425)	42,700	25,000	(17,700)	33,550	54,463	20,913	(53,213)
Receiver Expenses	3,700	-	(3,700)	2,250	-	(2,250)	1,750	1,399	(351)	(6,301)
Receiver Counsel Fees	59,500	-	(59,500)	61,250	20,542	(40,709)	31,550	50,488	18,938	(81,271)
Receiver Counsel Expenses	2,000	-	(2,000)	1,000	277	(723)	2,000	1,417	(583)	(3,306)
Receiver - Bond Fee per Order	100	-	(100)	-	100	100	-	-	-	-
Other Professionals (Appraisals, etc.) per Sch Tax / Accountant	8,000	(10)	(8,010)	-	-	-	-	-	-	(8,010)
SubTotal - Receiver Admin Costs	129,725	(10)	(129,735)	107,200	45,918	(61,282)	68,850	107,765	38,915	(152,101)
Total Cash Disbursements	254,285	3,085	(251,200)	265,242	49,401	(215,841)	169,772	141,674	(28,098)	(495,139)
Net Cash Change	157,090	79,513	(77,577)	4,750,050	67,842	(4,682,208)	(169,772)	6,485,742	6,655,514	1,895,729
<hr/>										
Beginning Cash Balance - Note 4	56,000	-	-	243,090	69,339	-	5,030,540	137,181	-	-
Net Cash Change (Funding requirement)	157,090	79,513	(77,577)	4,750,050	67,842	(4,682,208)	(169,772)	6,485,742	6,655,514	1,895,729
Ending Cash Balance (for Admin / Claims Distribution)	213,090	79,513	(77,577)	4,993,140	137,181	(4,682,208)	4,860,768	6,622,923	-	-
Distributions - Secured Claims	-	(10,173)	(10,173)	-	-	-	-	-	-	(10,173)
Net Cash Balance - Note 5	213,090	69,339	(87,751)	4,993,140	137,181	(4,682,208)	4,860,768	6,622,923	-	1,885,555
Note: Receiver's Budget and Variance through 5/5/17 Final										
Bid Deposits - Net at 3/31/17 Note 3	-	-	-	-	1,562,000	1,562,000	-	-	-	-

- Note 1: Subject to Allocation and final count / adjustments (increase only)
- Note 2: Subject to reconciliation of CC A/R and Liquidation Analysis
- Note 3: Bid Deposits Rec'd 3/15-17, net of Bid Dep Returns at 3/31/17; Balance Returned (Back-Up Bid) / Applied (Prevailing Bid) at Sale Closing
- Note 4: Per Co Records - SC, OLC, ASE - Wells
- Note 5: Subject to Partial Recovery against Inventory Adjustment Reserve
- Note 6: Pending NY Litigation - Unable to Determine Estimated Value / Collectibility at 4/30/17

**Accounts Receivable
Estimated at 5/31/17**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA
Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
31-May-17

	Customer Name	A/R at 2/2/17	Collections 2/2 - 2/28/17	Collections 3/1 - 3/31/17	Collections 4/1 - 4/30/17	Collections 5/1 - 5/31/17	Est A/R at 5/31/17	Est Uncollectible - subj to Reconciliation
1	Borderfree - Amex - 07-1057	1,604	(25,161)				(23,558)	
2	Borderfree - MC - 21-1057	(3,184)	(19,064)				(22,248)	
3	Paypal - 08-1057 / 20-1057	141,413					141,413	141,413
4	Ebay - 09-1057	16,409					16,409	16,409
5	Klarna - OLS - 08-1057	420,383					420,383	420,383
6	Klarna - Shoes.com - 20-1057	279,540					279,540	279,540
7	Amazon - OLS - 05-1057	527,177						
8	Amazon - Shoes.com - 22-1057		(9,292)				517,885	517,885
9	Bluefly - 20-1057	27,689	(16,687)				11,002	11,002
10	Rakuten (buy.com) - 08-1057	1,670	(222)				1,448	1,448
11	Jet.com - 10-1057	10,708	(1,650)				9,057	9,057
12	Sears - 08-1057	2,187	(1,080)			(885)	1,107	1,107
	Balance / Reserve - Wells Fargo Merchant Services Credit Card Processing	116,000					116,000	21,000
								TBD - Pending (Note 1)
	Affiliate - Amazon location inventories (est)	89,389		(116,000)	(36,000)		(62,611)	
	Other A/R Collections (to be Reconciled)							-
	Total (subj to Reconciliation and Demand) at 5/31/17	1,630,985	(73,157)	(116,000)	(36,000)		1,405,828	1,419,245

Preliminary - Subject to Reconciliation

Schedule B(d-1)
Supplemental Schedule
A/R at 5/31/17

**Schedules B(d-f)
A/R, A/P, Tax Liabilities
Post-Filing**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA
Preliminary - Subject to Reconciliation



Shoes.com, Inc. / Onlineshoes.com Inc.
31-May-17

Schedule B(d)

Statement of Accrued Accounts Receivable of the Receiver (2/2/17 Forward)

Name	Amount	Estimated Uncollectible Amount
None	N/A	N/A
* Pre-filing A/R per Supplemental Schedule B(d-1) Subject to Adjustments / Final Reconciliation		
** Inventory Adjustment Reserve		TBD; \$210,000 in
- Sale Closing	419,503	escrow

Schedule B(e)

Statement of Accounts Payable of the Receiver (from 2/2/17 Forward), including professional fees

Name	Amount	Aged > 30 Days
A/P - Trade	None	None
A/P - Other	None	None
Accrued (Billed) Receiver Admin (subject to Fee Ap)		
Receiver Fees and Expenses per Fee Notice through 5/31/17	58,964	
Receiver Legal Fees and Expenses per Fee Notice through 4/30/17	41,356	
A/P - Advance - Opening debtsit (USB 7060)	10	
Court Bonds (Rec Bond Premium per Order)		
Accrued IT / Storage - Server Access (Digital Fortress)	-	
Accrued Contractor Fees / Expense - Per Canada Rec (Note 2)	24,899	Due to Canadian Receiver (Reimburse)
Accrued Lease Exp - Groveport (Note 1)	40,835	
Accrued Utilities - Other	4	
Total Admin Expense Due 5/31/17	166,069	-

Note 1: Balance of \$40,835 subject to disposition of pre-receivership lease deposit

Note 2: Final Payment of Shared contract services - Canadian Receiver Reimbursement - Paid 6/13/17

Schedule B(f)

Tax disclosure statement - list of postfiling taxes due or tax deposits

Name of Taxing Agency	Amount Due	Date Due
None	None	N/A

Pre-Receivership Property taxes / Sales taxes - est. per Schedules & POC / reconciliations

**Shoes.com, Inc /
Onlineshoes.com Inc.
Sale Closing Statement**

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462-7 SEA

April 21, 2017



Shoes.com, Inc. / Onlineshoes.com Inc.
30-Apr-17

Closing Statement - 4/21/17
Per Sale Order dtd. 4/3/17

Purchase Price:	7,050,000.00	
Good Faith Deposit:	(705,000.00)	
Amazon Accounts/Cure Amounts:	(23,000.00)	
Post-March 28 Auction Amazon Accounts Reconciliation;	(16,777.00)	
Initial Inventory Count Adjustment to Purchase Price:	(419,503.00)	
Net Due to Receiver at Closing:		5,885,720.00
Sources:		
Wolverine:	1,500,000.00	
etailz Inc.	2,192,860.00	
Tiger Capital Group, LLC	2,192,860.00	
Escrow deposit pending Final Inventory Reconciliation: (Note 1)	210,000.00	
Sources:		
etailz. Inc.	105,000.00	
Tiger Capital Group, LLC	105,000.00	
Total:		6,095,720.00
Bid Deposit Applied		705,000.00
Total Sale Proceeds (Net)		6,800,720.00
Total Inventory Count Reserve (Note 2)	419,503.00	
Escrow (included above)	210,000.00	
Add'l Reserve	209,503.00	209,503.00
Net Sale Proceeds (subject to Inv Adj - Cap of \$419,503)		7,010,223.00

Note 1: Held at Bush Strout - Seattle

Note 2: Receivership recovery (increase to net sale proceeds only), subject to final count and verification of move-out, shipping, receiving documents and truck manifests

Sale Closing Statement

at 4/21/17