

 ONLINESHOES  
ESTD 1996

 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 July 31, 2017

August 31, 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. Significant 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 prior 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. Of a \$116,000 deposit held by the Defendant, \$95,000 was recovered in July, following retention of litigation counsel by the Receiver in June (Receiver counsel conflict).
- 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 represented a preliminary distribution, and the Receiver collected \$249,237.65 from Wells Fargo in July, following the final reconciliation of standby L/C liability and legal fees.

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 approx. \$2.4mm (Sch B (b) page 2), after adjustment to 7/31/17, and before recovery of merchant services CC A/R, as adjusted for refunds and returns against vendor reserves.
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 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 represented a preliminary distribution, and the Receiver collected \$249,237.65 from Wells Fargo in July, following the final reconciliation of standby L/C liability and legal 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 recovered a substantial portion (approx. \$95,000) in July, of the reserves balance held by the Defendant at 6/30 (\$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. Various actions regarding secured claims and claims objections have been presented by the claimants and the Receiver, and are pending as of 8/30/17. A hearing is scheduled for September 14, 2017 on the issues.
9. The Bar date for claims to be filed by state agencies was 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; Estimated Recovery Variance Recap – Actuals to Budget
Sch B(c)	-	Statement of cash receipts and disbursements
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

## Balance Sheet at July 31, 2017



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

Category (Book Value Used where noted by *)	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Book Value at 5/31/17	Book Value at 6/30/17	Adjustments - 7/1/17 to 7/31/17	Book Value at 7/31/17	Estimated Value at 7/31/17
<b>Assets</b>								
<b>Cash and Bank accounts:</b>								
Receiver Disb Acct USB 7060	10	218,692	(4,849)	39,340	44,121	58,884	103,005	103,005
Receiver MMA Sale Acct USB 8887	-	1,357,069	6,590,903	6,341,175	1,989,201	249,328	2,238,529	2,238,529
OLS Master Dep Acct - Wells 5678	62,873	870	870	1,586	1,584	-	1,584	1,584
OLS Master Oper Acct - Wells 5686	6,456	122,552	36,000	-	305	55,354	55,659	55,659
OLS Manual P/R - Wells 5567	-	-	-	-	-	-	-	-
Shoes.com, Inc. Oper Acct - Wells 5592	-	-	-	-	-	-	-	-
Other Cash / Accounts	-	-	-	-	-	-	-	-
<b>Total Cash Balance</b>	<b>69,339</b>	<b>1,699,181</b>	<b>6,622,923</b>	<b>6,382,101</b>	<b>2,035,210</b>	<b>363,566</b>	<b>2,398,777</b>	<b>2,398,777</b>
Inventory: Note 1	11,062,346	11,062,346	-	-	-	-	-	-
Inventory: Note 1	417,150	347,806	-	-	-	-	-	-
Inventory: Note 1	595,929	595,929	-	-	-	-	-	-
Amazon / ASE Account Balance - Rec Interest (net of Est Fees) Note 2	-	-	28,662	28,662	54,719	(54,719)	-	(47,817)
Amazon: Post 3/28 Rec Adj per Sale Closing	-	-	(34,219)	(34,219)	(44,961)	(2,856)	(47,817)	-
Accounts Receivable Notes 3 & 4	1,426,255	1,309,081	1,308,499	1,468,439	1,418,360	(95,000)	1,323,360	-
Sale - Closing Reserve (subject to Inventory Adjustment) Note 1	-	-	419,503	419,503	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: *	83,000	76,083	-	-	-	-	-	-
Deposits *	51,596	48,171	48,171	53,171	53,171	(7,336)	45,835	45,835
<b>Total Assets</b>	<b>15,108,397</b>	<b>16,541,379</b>	<b>8,393,539</b>	<b>8,317,657</b>	<b>3,936,002</b>	<b>203,656</b>	<b>4,139,657</b>	<b>2,486,794</b>

**Schedule B(a)**  
Balance Sheet at 7/31/17

## Balance Sheet at July 31, 2017



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

Category (Book Value Used where noted by *)	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Book Value at 5/31/17	Book Value at 6/30/17	Adjustments - 7/1/17 to 7/31/17	Book Value at 7/31/17	Estimated Value at 7/31/17
<b>Liabilities</b>								
<b>Accounts Payable</b>								
A/P - Pre-Receivership (Unsecured)	16,198,921	16,198,921	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	19,360		19,360	Subject to Claims Reconciliation
Pre-Receivership Wages and Employee-Related Payables	172,698	172,698	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	2,289,701		2,289,701	Subject to Claims Reconciliation
<b>Accrued Receiver Admin Expense + Deposits</b>		-	-	-	-		-	
Accrued Receiver Fees / Expense per Notice	47,749	55,861	70,834	58,964	28,913	(7,350)	21,563	
Accrued Receiver Counsel Fees / Expense - Per Notice	20,818	51,904	77,094	41,356	15,521	(8,084)	7,437	
Advance - Opening Deposit USB 7060 (Rec Disb Acct)		10	10	10	10		10	
Accrued Rec Litigation Counsel - NY Litigation					6,113	(6,113)	-	
Accrued IT / Storage - Server Access (Digital Fortress)	5,676	9,176	849	-	-	-	-	
Accrued Contractor Fees / Expense - Per Canada Rec	11,474	19,474	24,050	24,899	-	-	-	
Accrued Admin Exp - Facilities	-	93,000	112,897	40,835	40,835	-	40,835	
Accrued Admin Exp - Utilities / Other		8,000	13,118	4	4	-	4	
<b>Sale: Bid Deposits Payable</b>		<b>1,512,000</b>	-	-	-		-	
<b>SubTotal - Accrued Receivership Admin</b>	<b>85,717</b>	<b>1,749,425</b>	<b>298,852</b>	<b>166,069</b>	<b>91,395</b>	<b>(21,547)</b>	<b>69,849</b>	<b>-</b>
Other Unsecured Claims per Schedules	52,762,844	52,762,844	52,762,844	52,762,844	52,762,844		52,762,844	Subject to Claims Reconciliation

**Schedule B(a)**  
Balance Sheet at 7/31/17

## Balance Sheet at July 31, 2017



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

Category (Book Value Used where noted by *)	Book Values at 2/28/17	Book Value at 3/31/17/17	Book Value at 4/30/17	Book Value at 5/31/17	Book Value at 6/30/17	Adjustments - 7/1/17 to 7/31/17	Book Value at 7/31/17	Estimated Value at 7/31/17
<b>Secured Liabilities</b>								
Wells Fargo Bank	4,150,000	4,157,118	4,195,771	4,222,092	-	-	-	
Wells Fargo Bank (Adjustment of standby liability and legal fees - received in July)				-	(249,328)	249,328	0	Adjustment / Reserves - received in July
Dan Gerler, an Individual	3,000,000	3,000,000	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	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	7,500,000		7,500,000	Subject to Claims Reconciliation
Geodis (formerly Ozburn-Hessey Logistics, LLC)	700,000	700,000	700,000	827,537	827,537		827,537	Subject to Claims Priority - Per 6/12/17 Order
Other	-	-	-	-	-		-	
<b>SubTotal - Secured Liabilities</b>	<b>22,850,000</b>	<b>22,857,118</b>	<b>22,895,771</b>	<b>23,049,629</b>	<b>18,578,209</b>	<b>249,328</b>	<b>18,827,537</b>	
<b>Total Liabilities</b>	<b>94,379,341</b>	<b>96,050,068</b>	<b>94,638,147</b>	<b>94,659,222</b>	<b>90,113,128</b>	<b>227,782</b>	<b>90,340,910</b>	
Equity	(79,270,944)	(79,508,688)	(86,244,608)	(86,341,564)	(86,177,127)	(24,126)	(86,201,253)	
<b>Total Liabilities &amp; Equity</b>	<b>15,108,397</b>	<b>16,541,379</b>	<b>8,393,539</b>	<b>8,317,657</b>	<b>3,936,002</b>	<b>203,656</b>	<b>4,139,657</b>	

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) - Adjustments to eliminate credit balances at 6/30/17

Note 3: The Wells Fargo Merchant Services Credit Card Reserve balance is estimated at 2/2/17 and 5/31/17; Litigation is pending at 6/30/17/17, 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. In July, the Receiver recovered \$95,000 of the reserves balance held at 6/30/17.

Note 4: Book balance of merchant services reserves before adjustment for returns, etc. Subject to reconciliation - estimated value - 0

**Income Statement  
through July 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 July 31, 2017

	February 2, 2017 (Order Date) to February 28, 2017	March 1 - 31, 2017	April 1 - 30, 2017	May 1 - 31, 2017	June 1 - 30, 2017	July 1 - 31, 2017	Total - to July 31, 2017
<b>Revenues / Invoicing (Incl. Interest Inc)</b>	-	69	114	272	153	91	699
Subject to Reconciliation of Amazon Location Inv Sales							
<b>Expenses</b>							
Expense (Cash / Accrued)							
<b>50000 · Expenses</b>							
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
<b>51000 · Receivership Admin Exp</b>							
51100 · Rec - Fees per Fee Ap	46,350	33,113	68,438	54,450	28,913	21,563	231,263
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	15,521	7,437	206,693
51600 · Rec - Litigation Counsel - NY Litigation Fees/Exp					6,113	-	6,113
<b>Total 51000 · Receivership Admin Exp</b>	<b>68,667</b>	<b>85,017</b>	<b>147,928</b>	<b>100,321</b>	<b>50,546</b>	<b>28,999</b>	<b>452,478</b>
Bank Service Charges	3,095	1,082	1,133	1,168	37	305	6,516
Facilities Leases		93,000	19,897	-	-	-	112,897
Utilities / Records Storage		8,000	5,118	-	-	333	13,118
Other - GEODIS Sale / Inventory Related Exp		2,400	5,441	-			7,841
<b>Total 50000 - Expenses</b>	<b>88,912</b>	<b>214,398</b>	<b>191,521</b>	<b>101,488</b>	<b>50,583</b>	<b>29,637</b>	<b>646,903</b>
<b>Total Pre-Tax Income (Expense)</b>	<b>(88,912)</b>	<b>(214,329)</b>	<b>(191,408)</b>	<b>(101,216)</b>	<b>(50,430)</b>	<b>(29,547)</b>	<b>(646,205)</b>

**Schedule B(b)**  
Income Statement  
through 7/31/17

**Income Statement  
through July 31, 2017**

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

Preliminary Liquidation Recap / Variance Reporting  
to 7/31/17

	Cash Recovery per Budget	Actual Cash Recovery (Prelim to 7/31/17)	Variance + (-)
Inventory	4,526,604	5,010,223	
Estimated Inv Adj (subject to Final Reconciliation and add'l recovery)		(329,503)	
<b>Total Inventory (subj to Adj)</b>	<b>4,526,604</b>	<b>4,680,720</b>	<b>154,116</b>
ASE Inv (pre-3/28)	34,000	160,700	126,700
<b>Total Inventory (Net - est.)</b>	<b>4,560,604</b>	<b>4,841,420</b>	<b>280,816</b>
IP	-	2,000,000	2,000,000
Fixed Assets	100,000	Incl.	(100,000)
Other Cash Receipts	16,687	31,633	14,946
<b>Total Cash Recoveries (Excl CC A/R - Subject to Reconciliation)</b>	<b>4,677,291</b>	<b>6,873,053</b>	<b>2,195,762</b>
Liquidation Costs:			
Operating			
per Budget to 5/5/17	353,524	193,220	(160,303)
Actual 5/5 to 7/31/17	1,510	1,510	-
SubTotal Operating Disb	355,034	194,730	(160,303)
Administrative			
per Budget to 5/5/17	305,775	301,611	(4,164)
Actual 5/5 to 7/31/17	179,866	179,866	-
SubTotal - Administrative Disb	485,641	481,477	(4,164)
Total Disb to 7/31/17	840,675	676,208	(164,467)
	18%	10%	
<b>Net Cash Recovery (Prelim to 7/31/17)</b>	<b>3,836,616</b>	<b>6,196,845</b>	<b>2,360,229</b>
	82%	90%	
CC Receivables	749,376	162,970	(586,406)

# Cash Receipts & Disbursements

## July 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.  
July 1 - 31, 2017

	Date	Number	Name	Memo	Amount	Balance
<b>Wells Fargo - OLS Master Deposit Acct 5678</b>						
<b>Opening Balance</b>						<b>1,584.05</b>
Deposits						
Debits						
<b>Balance</b>						<b>1,584.05</b>
<b>Wells Fargo - OLS Master Oper Acct 5686</b>						
<b>Opening Balance</b>						<b>304.65</b>
Deposits						
	27-Jul		Affiliated Group ACH	Affiliated Group ACH 17062 Rols	55,658.61	
Debits						
	31-Jul		Wells Fargo	Service Charges - Acct Analysis	<b>(304.65)</b>	
<b>Balance</b>						<b>55,658.61</b>
<b>Receiver Disbursement-USB 7060</b>						
<b>Opening Balance</b>						<b>44,120.71</b>
Deposits						
	5-Jul		Wells Merchant Service	Refund - Reserve	95,000.00	
	5-Jul		Premera	Refund	764.03	
	5-Jul		ADP	Refund	13,999.23	
					<b>109,763.26</b>	
Debits						
	13-Jun	11047	Seattle Vault Self Storage	Seattle Vault - Records Storage 491 July / Aug	(333.00)	
	13-Jun	11048	Leonard Law Group, LLC	Special Counsel - NY Lit - Inv 7226 7/3/17	(6,112.50)	
	13-Jun	11048	Oswego Group LLC	Inv 014 - 017 Apr 30 - May 27 Fee Notice 6/28/17	(28,912.50)	
	13-Jun	11049	Schwabe, Williamson & Wyatt, PC	Inv #1476718 Fee Notice 6/18/17	(15,521.15)	
					<b>(50,879.15)</b>	
<b>Balance</b>						<b>103,004.82</b>
<b>Receiver Sale MMA-USB 8887</b>						
<b>Opening Balance</b>						<b>1,989,200.84</b>
Deposits						
	14-Jul		Wells Fargo	Refund - Unfunded L/C liability / net of final costs	249,237.65	
	31-Jul		Wells Fargo	Interest	90.62	
					<b>249,328.27</b>	
Debits						
					-	
<b>Balance</b>						<b>2,238,529.11</b>
<b>Total Cash Balance at 7/31/17/17</b>						<b>2,398,776.59</b>

**Accounts Receivable  
Estimated at 7/31/17**

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



Shoes.com, Inc. / Onlineshoes.com Inc.  
31-Jul-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	Collections 6/1 - 6/30/17	Collections 7/1 - 7/31/17	Est A/R at 7/31/17	Est Uncollectible - subj to Reconciliation
1	Borderfree - Amex - 07-1057	1,604	(25,161)						(Note 2)	
2	Borderfree - MC - 21-1057	(3,184)	(19,064)						(Note 2)	
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							517,885	517,885
8	Amazon - Shoes.com - 22-1057		(9,292)							
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)			222	222
	Balance / Reserve - Wells Fargo Merchant Services Credit Card Processing	116,000						(95,000)	21,000	21,000
									-	TBD - Pending (Note 1)
	Affiliate - Amazon location inventories (est)	89,389		(116,000)	(36,000)				(Note 2)	
	Other A/R Collections (to be Reconciled)						(305)		(Note 2)	
	<b>Total (subj to Reconciliation and Demand) at 5/31/17</b>	1,630,985	(73,157)	(116,000)	(36,000)	(885)	(305)	(95,000)	1,418,360	1,418,360

Preliminary - Subject to Reconciliation

Note 1: The Wells Fargo Merchant Services Credit Card Reserve balance is estimated at 2/2/17 and 5/31/17; 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. In July, the Receiver recovered \$95,000 of the reserves balance held at 6/30/17.

Note 2: Credit balances (collections exceed book A/R) were eliminated at 6/30/17

**Schedule B(d-1)**  
Supplemental Schedule  
A/R at 7/31/17

**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-Jul-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 - Sale Closing	419,503	TBD; \$210,000 in 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	21,563	
Receiver Legal Fees and Expenses per Fee Notice through 4/30/17	7,437	
A/P - Advance - Opening debtsit (USB 7060)	10	
Court Bonds (Rec Bond Premium per Order)		
Accrued Rec Litigation Counsel - NY Litigation	-	
Accrued IT / Storage - Server Access (Digital Fortress)	-	
Accrued Contractor Fees / Expense - Per Canada Rec (Note 2)	-	
Accrued Lease Exp - Groveport (Note 1)	40,835	
Accrued Utilities - Other	4	
Total Admin Expense Due 7/31/17	69,849	-

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

Note 3: Rec Litigation Counsel - Paid 7/7/17; \$95k recovery from Deposit held by Defendant in July

**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-Receiver'ship Property taxes / Sales taxes - est. per Schedules & POC / reconciliations		