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7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
8 FOR THE COUNTY OF KING

9 WELLS FARGO BANK, NATIONAL
10 ASSOCIATION, a national banking
association,

11 Petitioner,

12 vs.

13 ONLINESHOES.COM INC., a Washington
14 corporation; SHOES.COM, INC., a Delaware
corporation,

15 Respondents.
16

No. 17-2-02462-7 SEA

RECEIVER'S NINTH MONTHLY
REPORT OF OPERATIONS AND
FINANCIAL AFFAIRS PURSUANT
TO RCW 7.60.100

17 Pursuant to RCW 7.60.100 and the Stipulated Order Appointing General Receiver
18 entered on February 2, 2017, attached is the Receiver's ninth monthly report on the
19 operations and financial affairs of Onlineshoes.com Inc. and Shoes.com, Inc., for the period
20 October 1, 2017, through October 31, 2017.

21 Dated this 1st day of December, 2017.

22 SCHWABE, WILLIAMSON & WYATT, P.C.

23
24 By: /s/ Claire L. Rootjes
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Attorneys for Oswego Group LLC,
26 General Receiver

RECEIVER'S NINTH MONTHLY REPORT OF
OPERATIONS AND FINANCIAL AFFAIRS PURSUANT
TO RCW 7.60.100

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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 October 31, 2017

November 30, 2017

Inverness Group, as Receiver
jdavidson@inverness.us
<http://inverness.us/receivership-shoes-com-onlineshoes-com>

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) 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 - Update (i) 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. In late October, a preliminary final inventory count was submitted by the Buyer, and a review / reconciliation is pending. (ii) The Receiver has made demand against open A/R debtors, and recovery, if any, is subject to reconciliation of chargebacks and other adjustments which will likely be asserted by these debtors. (iii) 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 \$100,000 reserve held by the Defendant, \$95,000 was recovered in July, following retention of separate litigation counsel by the Receiver in June (owing to a conflict for Receiver's general counsel in this case).

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Receiver's Report per RCW 7.60.100 - Order dtd. 2/2/17

November 30, 2017

Overview

1. 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.
2. 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.
3. The preliminary inventory adjustment reserve above was determined by an initial inventory count (subject to a final count upon completion of the inventory moves from the Debtors' former warehouse in Groveport, OH). The Buyer has reported in September that all final inventory moves were completed by September 29, and in late October, the Buyer submitted its full inventory count as the basis for the adjustment, subject to the Receiver's review, analysis and reconciliation to aid in the determination of the final adjustment amount. The Buyer, pursuant to the 4/3/17 order approving sale and related agreements, is required to deliver inventory reconciliation documents in a specified form to the Receiver in furtherance of the final inventory reconciliation. At this time, the Receiver has included a \$90,000 upward adjustment to the net inventory proceeds in its reporting to date (out of the \$419,503 adjustment reserve), and this placeholder is subject to change based on the final reconciliation and adjustment amount.

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Receiver's Report per RCW 7.60.100 - Order dtd. 2/2/17

November 30, 2017

Overview

4. 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.
5. 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. The claims bar deadline for state agencies was 8/25/17 and for all other creditors, it was March 28, 2017.
6. Per the Court's June 12, 2017 Order, the Receiver made a 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 Receiver collected \$249,237.65 from Wells Fargo in July, following the final reconciliation of standby L/C liability and legal fees. With the recovery of the net unfunded standby L/C liability, the Wells Fargo secured claim was fully satisfied.
7. On September 29, 2017, the Court ordered payment in the amount of \$237,500 in full satisfaction of the secured claim by GEODIS Logistics, LLC, disallowing the remaining claim balance of \$590,037. The approved claim was paid and fully satisfied on October 2, 2017.
8. Prior to the date of appointment of the Receiver, a litigation matter filed by Onlineshoes.com Inc. against Wells Fargo Bank, N.A. and Wells Fargo Merchant Services, Inc., a credit card processing provider, was pending in the Supreme Court of New York, Suffolk County, 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 either party. The Court's Order provides for tolling such that any applicable statutes of limitation or other time limits as to any of Onlineshoes.com Inc.'s claims against the defendants that were asserted in the case are tolled through March 30, 2018. The Receiver recovered a substantial portion (approx. \$95,000) in July, of the reserves balance held by the credit card processor defendant at 6/30/17 (\$100,000), subject to final reconciliation of returns chargebacks.

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Receiver's Report per RCW 7.60.100 - Order dtd. 2/2/17

November 30, 2017

Overview

9. Reconciliation of claims filed in the case is continuing, and an extension of the Automatic Stay (to 11/30/17) was approved by the Court on 9/21/17.
10. At 1/27/17, the Debtors' records reflected approximately \$1.6mm in open A/R due from credit card and account processors. The balance did not reflect certain chargebacks, payments and other reconciliation adjustment, and the Receiver has requested and is reviewing detail submitted by the service providers. A final determination of recoverable value, if any, will be made by approximately 12/31/17 and collection steps, if applicable and deemed in the best interests of the estate by the Receiver, will be taken at that time. Pending this final determination, adjustments at or exceeding the total A/R book amounts and no net recoverable value are assumed.
11. The Receiver is coordinating with the inventory and fixed asset Buyer (Tiger Capital and etailz, Inc.) to complete the final inventory reconciliation and determination of net inventory adjustment per the provisions of the sale. At closing, an Initial Count (subject to final reconciliation and count following moves of the purchased inventories) suggested a preliminary negative adjustment of \$419,500, or 8.3% of the sale price of \$5,050,000.
- Of the preliminary adjustment figure, \$210,000 was placed in an escrow account, from which funds will be disbursed to the Buyer and/or Seller, depending on the final adjustment. In the event that the reconciliation in favor of the receivership estate (Seller) exceeds the escrowed amount, the Buyer will make up any shortfall up to the original \$419,500 preliminary adjustment estimate.
- At this time, and subject to the final adjustment calculation to be agreed between the parties and submitted to the Court for final approval, the Receiver has estimated a net recovery of \$90,000 for purposes of the interim monthly reporting.
12. A conditional settlement of secured claims between the two secured claimants (Caleres and Daniel Gerler) was agreed in late November, and the Receiver expects to submit its motion for approval of the distribution of a substantial portion of remaining estate funds against these claims in December.

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Receiver's Report per RCW 7.60.100 - Order dtd. 2/2/17

November 30, 2017

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-1)	-	Supplemental Schedule – Pre-Receiver'ship A/R
Sch B(d)	-	Statement of Accrued Accounts Receivable of the Receiver (2/2/17 Forward)
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

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Receiver's Report per RCW 7.60.100 - Order dtd. 2/2/17

November 30, 2017

Balance Sheet
at October 31, 2017

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	Book Value at 7/31/17	Book Value at 8/31/17	Book Value at 9/30/17	Adjustments - 10/1/17 to 10/31/17	Book Value at 10/31/17	Estimated Value at 10/31/17
Assets											
Cash and Bank accounts:											
Receiver Disb Acct USB 7060	10	218,692	(4,849)	39,340	44,121	103,005	86,155	67,519	(43,430)	24,089	24,089
Receiver MMA Sale Acct USB 8887	-	1,357,069	6,590,903	6,341,175	1,989,201	2,238,529	2,238,624	2,238,716	(237,415)	2,001,301	2,001,301
OLS Master Dep Acct - Wells 5678 (In Transit to USB 7060 at 10/31/17)		62,873	870	1,586	1,584	1,584	1,398	1,252	-	1,252	1,252
OLS Master Oper Acct - Wells 5686	6,456	122,552	36,000	-	305	55,659	-	-	-	-	-
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	6,382,101	2,035,210	2,398,777	2,326,177	2,307,487	(280,845)	2,026,642	2,026,642
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	-	-	-	-	-	-
Amazon: Post 3/28 Rec Adj per Sale Closing			(34,219)	(34,219)	(44,961)	(47,817)	-	-	-	-	-
Accounts Receivable Notes 3 & 4	1,426,255	1,309,081	1,308,499	1,468,439	1,497,360	1,402,360	1,402,360	1,402,360	-	1,402,360	-
Sale - Closing Reserve (subject to Inventory Adjustment) (Note 1)			419,503	419,503	419,503	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	45,835	45,835	45,835	-	45,835	45,835
Total Assets	15,108,397	16,541,379	8,393,539	8,317,657	4,015,002	4,218,657	4,193,875	4,175,185	(280,845)	3,894,340	2,162,477

Balance Sheet
at October 31, 2017

ONLINESHOES
Shoes.com, Inc. / Onlineshoes.com Inc.
31-Oct-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	Book Value at 7/31/17	Book Value at 8/31/17	Book Value at 9/30/17	Adjustments - 10/1/17 to 10/31/17	Book Value at 10/31/17	Estimated Value at 10/31/17
Liabilities											
Accounts Payable											
A/P - Pre-Receiptship (Unsecured)	16,198,921	16,198,921	16,198,921	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-Receiptship Unfunded 401k and Other Withholds (Paid 10/23/17)	19,360	19,360	19,360	19,360	19,360	19,360	19,360	20,280	(20,280)	-	-
Pre-Receiptship Wages and Employee-Related Payables	172,698	172,698	172,698	172,698	172,698	172,698	172,698	172,698		172,698	Subject to Claims Reconciliation
Pre-Receiptship Taxes Payable	2,289,701	2,289,701	2,289,701	2,289,701	2,289,701	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	58,964	28,913	21,563	-	-		-	-
Accrued Receiver Counsel Fees / Expense - Per Notice	20,818	51,904	77,094	41,356	15,521	7,437	-	-		-	-
Advance - Opening Deposit USB 7060 (Rec Dist Acct)		10	10	10	10	10	10	10		10	10
Accrued Rec Litigation Counsel - NY Litigation					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 / Other	-	93,000	112,897	40,835	40,835	40,835	40,835	40,835		40,835	40,835
		8,000	13,118	4	4	4	4	4		4	4
Sale- Bid Deposits Payable											
		1,512,000	-	-	-	-	-	-		-	-
SubTotal - Accrued Receiptship Admin											
	85,717	1,749,425	298,852	166,069	91,395	69,849	40,849	40,849	-	40,849	40,845
Other Unsecured Claims per Schedules	52,762,844	52,762,844	52,762,844	52,762,844	52,762,844	52,762,844	52,762,844	52,762,844		52,762,844	Subject to Claims Reconciliation

Balance Sheet
at October 31, 2017

ONLINESHOES
Shoes.com, Inc. / Onlineshoes.com Inc.
31-Oct-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	Book Value at 7/31/17	Book Value at 8/31/17	Book Value at 9/30/17	Adjustments - 10/1/17 to 10/31/17	Book Value at 10/31/17	Estimated Value at 10/31/17
Secured Liabilities											
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)	0	0	0	0	0
Dan Gerber, an individual	3,000,000	3,000,000	3,000,000	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	7,500,000	-	-	-	Paid from Shoes.com Tech (Canadian Receivership) Estate
Caletes Investment Company, Inc.	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000		7,500,000	Subject to Claims Reconciliation
Goedts (formerly Ozburn-Hessey Logistics, LLC)	700,000	700,000	700,000	827,537	827,537	827,537	827,537	237,500	(237,500)	-	Book Bal Paid 10/2/17 per 9/28/17 Order
Other		-	-	-	-	-	-	-	-	-	-
Subtotal - Secured Liabilities	22,850,000	22,857,118	22,895,771	23,049,629	18,578,209	18,827,537	18,827,537	10,737,500	(237,500)	10,500,000	
Total Liabilities	94,379,341	96,050,068	94,638,147	94,659,222	90,113,128	90,340,910	90,311,910	82,222,793	(257,780)	81,965,013	40,845
Equity	(79,270,944)	(79,508,688)	(86,244,608)	(86,341,564)	(86,098,126)	(86,122,263)	(86,118,035)	(78,047,606)	(23,065)	(78,070,673)	
Total Liabilities & Equity	15,108,397	16,541,379	8,393,539	8,317,657	4,015,002	4,218,657	4,193,875	4,175,185	(280,845)	3,894,340	40,845

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) - Final transfer 8/31/17 - Payment of post-3/28 Amazon receipts to Buyer per Order

Note 3: Subject to final reconciliation of charges and returns, a reserve balance of \$100,000 was held by Wells Frago Merchant Services as of 6/30/17; an Order was entered in the previous 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 Plaintiffs (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
October 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 October 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	Aug 1 - 31, 2017	Sep 1 - 30, 2017	Oct 1 - 31, 2017	Total - to Oct 31, 2017
Revenues / Invoicing (Incl. Interest Inc)	-	69	114	272	153	91	95	92	85	971
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 • Receivship Admin Exp										
51100 • Rec - Fees per Fee Ap *	46,350	33,113	68,438	54,450	28,913	21,563	9,638	10,950	273,413	
51200 • Rec - Expenses per Fee Ap	1,399	2,396	4,514	-	-	-	-	-	-	8,628
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	8,998	9,992	233,121	
51600 • Rec - Litigation Counsel - NY Litigation Fees/Exp	-	-	-	-	6,113	-	-	-	-	6,113
Total 51000 • Receivship Admin Exp	68,667	85,017	147,928	100,321	50,546	28,999	-	18,636	21,260	521,373
Bank Service Charges	3,095	1,082	1,133	1,168	37	305	186	146	-	7,153
Facilities Leases	-	93,000	19,897	-	-	-	-	-	-	112,897
Utilities / Records Storage	-	8,000	5,118	-	-	333	-	-	400	13,851
Other - GEODIS Sale / Inventory Related Exp	-	2,400	5,441	-	-	-	-	-	-	7,841
Total 50000 - Expenses	88,912	214,398	191,521	101,488	50,583	29,637	186	18,782	21,660	717,168
* August Fees / Exp Billed in September per 9/6/17 Fee Notice										
Total Pre-Tax Income (Expense)	(88,912)	(214,329)	(191,408)	(101,216)	(50,430)	(29,547)	(91)	(18,690)	(21,574)	(716,197)

Income Statement
October 31, 2017

Preliminary Liquidation Recap / Variance Reporting
to 10/31/17

	Cash Recovery per Budget	Actual Cash Recovery (Prelim to 7/31/17)	Actual Cash Recovery (Prelim to 8/31/17)	Actual Cash Recovery (Prelim to 10/31/17)	Variance + (-)
Inventory					
Estimated Inv Adj (subject to Final Reconciliation and add'l recovery)		4,526,604	5,010,223	5,010,223	
			(329,503)	(329,503)	
Total Inventory (subj to Adj)	4,526,604	4,680,720	4,680,720	4,680,720	154,116
ASE Inv (pre-3/28)	34,000	152,000	7,841		125,841
Total Inventory (Net - est.)	4,560,604	4,832,720	4,840,561	4,840,561	279,958
IP	-	2,000,000	2,000,000	2,000,000	2,000,000
Fixed Assets	100,000	Incl.	Incl.	Incl.	(100,000)
Other Cash Receipts	16,687	31,633	35,941	36,118	19,431
Total Cash Recoveries (Excl CC A/R - Subject to Reconciliation)	4,677,291	6,864,353	6,876,502	6,876,680	2,199,389

Cash Receipts & Disbursements

October 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.
October 1 - 31, 2017

	Date	Number	Name	Memo	Amount	Balance
Wells Fargo - OLS Master Deposit Acct 5678*						
Opening Balance						
						1,252.04
* Account Closed 9/30/17; Closing balance in transit to Receiver's Acct USB 7060						
Wells Fargo - OLS Master Oper Acct 5686*						
Opening Balance						
* Account Closed 8/3/17						
Receiver Disbursement-USB 7060						
Opening Balance						67,518.69
Deposits	2-Oct		Transfer from USB 8887	Transfer - Fund GEODIS Dist per Order	237,500.00	
Debits						
	30-Sep	11062	Kristen Kern	Claim - Satisfaction in Full 8/22/17	(787.38)	
	30-Sep	11063	Megan Minarik	Claim - Satisfaction in Full	(418.25)	
	30-Sep	11064	Rachel Jaedicke	Claim - Satisfaction in Full - 9/18/17 POC	(284.90)	
	30-Sep	11065	ADP, LLC	468826-Final 2017 W2s	(399.55)	
	2-Oct	W/T	GEODIS	Payoff per Order - Secured Claim	(237,500.00)	
		Various - 49		Refund - 1/27/17 Vol Ded -		
	23-Oct	Chks to 11129	Former Empl - 49	401k/HSA/FSA - unfunded by Debtor	(20,279.65)	
	30-Oct	11066	Oswego Group LLC	Inv 030 - 035 Aug 20 to Sep 30 Fee Notice 10/10/17	(11,268.00)	
	30-Oct	11067	Schwabe, Williamson & Wyatt, PC	Inv #1490337 Fee Notice 10/10/17	(9,992.15)	
					(280,929.88)	
Balance						24,088.81
Receiver Sale MMA-USB 8887						
Opening Balance						2,238,624.17
Deposits	31-Oct		US Bank	Interest per Stmt	<u>85.31</u>	
					85.31	
Debits	2-Oct	Transfer	Transfer to USB 7060	To fund GEODIS Claim Payment per Order	(237,500.00)	
					(237,500.00)	
Balance						2,001,209.48
Total Cash Balance at 10/31/17						
						2,026,550.33

Accounts Receivable
Estimated at 10/31/17

Shoes.com, Inc. / Onlineshoes.com Inc.
No. 17-2-02462.7 SEA
Preliminary - Subject to Reconciliation

Shoes.com, Inc. / Onlineshoes.com Inc.
31-Oct-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	Collections 8/1 - 8/31/17	Collections 9/1 - 9/30/17	Collections 10/1 - 10/31/17	Est A/R at 10/31/17	Est Uncollectible - sub to Reconciliation
1	Borderfree - Amex - 07-1057	1,604	(25,161)									(Note 1)	
2	Borderfree - MC - 21-1057	(3,184)	(19,064)									(Note 1)	
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	(9,292)									517,885	517,885
8	Amazon - Shoes.com - 22-1057												
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)									222	222
	Balance / Reserve - Wells Fargo Merchant Services Credit Card Processing - Note 2	100,000						(95,000)	-			5,000	5,000
	Affiliate - Amazon location inventories (est)	89,389		(116,000)	(36,000)				(7,841)			(Note 3)	
	Other A/R Collections (to be Reconciled)						(305)						
	Total (sub) to Reconciliation and Demand at 10/31/17	1,614,985	(73,157)	(116,000)	(36,000)	(885)	(305)	(95,000)	(7,841)	-	-	1,402,360	1,402,360

Preliminary - Subject to Reconciliation

Note 1: Credit balances (collections exceed book A/R) were eliminated at 6/30/17
Note 2: Subject to final reconciliation of charges and returns, a reserve balance of \$100,000 was held by Wells Fargo Merchant Services as of 6/30/17; an Order was entered in the previous case on 6/8/17 providing for the discontinuance of the litigation with 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 \$1 balance held at 6/30/17.
Note 3: Final ASE / Amazon inventory recoveries were received in August; Amount reflects gross receipts net of payment to Buyer for post-3/28 Amazon receipts per Sale Order

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-Oct-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 - 419,503 TBD; \$210,000 in escrow

Sale Closing (Subject to Final Adj / See Estimated Value on Sch B(a))

** Estimated Recovery - \$90,000; subject to final reconciliation 12/31/17

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 10/31/17 -

Receiver Legal Fees and
Expenses per Fee Notice
through 10/31/17 -

A/P - Advance - Opening deposit
(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
10/31/17 40,849 -

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 to 6/30/17; Retainer \$5,000; \$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 Property taxes / Sales taxes - est. per Schedules & POC / reconciliations

CERTIFICATE OF SERVICE

The undersigned declares under penalty of perjury, under the laws of the State of Washington, that the following is true and correct:

That on the 1st day of December, 2017, I arranged for service of the foregoing
RECEIVER'S NINTH REPORT OF OPERATIONS AND FINANCIAL AFFAIRS
PURSUANT TO RCW 7.60.100 to the parties to this action as follows:

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