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Ex Parte  
Hearing Date: April 10, 2018  
Time of Hearing: 1:30 p.m.

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

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association,  
  
Petitioner,  
  
vs.  
  
ONLINESHOES.COM INC., a Washington corporation; SHOES.COM, INC., a Delaware corporation,  
  
Respondents.

No. 17-2-02462-7 SEA

ORDER: (1) APPROVING FINAL REPORT, (2) AUTHORIZING DISTRIBUTION OF REMAINING ESTATE PROPERTY, (3) AUTHORIZING ABANDONMENT OF RECORDS, (4) DISALLOWING AND RE-CHARACTERIZING CERTAIN CLAIMS, (5) EXONERATING THE RECEIVER'S BOND, (6) DISCHARGING THE RECEIVER AND TERMINATING THE RECEIVERSHIP, AND GRANTING RELATED RELIEF

THIS MATTER came before the Court on the Receiver's Omnibus Motion to (1) Approve Final Report, (2) Authorize Distribution of Remaining Estate Property, (3) Authorize Abandonment of Records, (4) Disallow and Re-Characterize Certain Claims Filed as Secured Claims, (5) Exonerate the Receiver's Bond, (6) Discharge Receiver and

ORDER APPROVING FINAL REPORT, TERMINATING RECEIVERSHIP, AND GRANTING RELATED RELIEF - 1

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1 Terminate Receivership, and (7) for Related Relief (the "Motion").<sup>1</sup> The Court duly  
2 considered the Motion, the Declaration of John L. Davidson, the Final Report attached as  
3 Exhibit 1 thereto, and the records and files herein. No response to the Motion was filed. It  
4 appears that notice of the hearing on the Motion was proper and sufficient under the  
5 circumstances. The Court being fully advised, now, therefore,

6  
7 IT IS HEREBY FOUND AND ORDERED as follows:

- 8 1. The Motion is granted in its entirety
- 9 2. Oswego Group LLC, doing business as Inverness Group, the general receiver  
10 ("Receiver") for Onlineshoes.com Inc. ("OLS"), and Shoes.com, Inc. ("Shoes.com," and  
11 together with OLS, the "Debtors"), has carried out its duties with due care and in substantial  
12 compliance with the February 2, 2017, Stipulated Order Appointing General Receiver, and  
13 with RCW 7.60, *et seq.*
- 14 3. The Receiver's Final Report is hereby approved. The Receiver is relieved of  
15 all further reporting and accounting obligations.
- 16 4. The Receiver is authorized to make payments for all outstanding receivership  
17 fees and expenses incurred through the termination of this receivership and the winding up of  
18 its affairs, from the funds currently held by the Receiver, including but not limited to an  
19 estimated \$32,500 for the Receiver's fees and costs from January 1, 2018, an estimated  
20 \$50,000 in fees and costs for Receiver's counsel from January 13, 2018, and an estimated  
21 \$2,500 for third party certified destruction of personal information stored on equipment  
22 abandoned by the Asset buyers, and other final costs to close the receivership estate  
23 (together, the "Administrative Expenses").
- 24 5. The Receiver is authorized to distribute to Daniel Gerler, the first priority

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26 <sup>1</sup> Capitalized terms not otherwise defined in this Order have the meanings ascribed to  
them in the Motion.

1 secured creditor, (a) any and all available funds after payment in full of the Administrative  
2 Expenses, and (b) the Accounts Receivable.

3 6. The Alleged Secured Claims submitted to the Receiver by creditors (i)  
4 J/Slides, (ii) Portland Product Werks, LLC, and (iii) City Saver Guide, Inc., are hereby (a)  
5 disallowed as secured claims, and (b) re-characterized and allowed as general unsecured  
6 claims in the amounts set forth in the Alleged Secured Claims.

7 7. Outlet's First Claim is disallowed in its entirety.

8 8. The secured portion of Outlet's Second Claim, totaling \$13,934.65, is  
9 disallowed. The balance of Outlet's Second Claim is allowed as a general unsecured claim.

10 9. Pursuant to RCW 7.60.150, the Debtors' documents, books, records, and files  
11 in the Receiver's possession, custody and control are hereby abandoned in place, and no  
12 longer property of the Receivership Estate.

13 10. This receivership is terminated and the Receiver is discharged, effective  
14 immediately. The Receiver and its professionals shall have no liabilities or obligations  
15 arising in or related to the receivership of Debtors, all of which are hereby released.

16 11. The Receiver's Bond dated effective as of February 7, 2017, in the amount of  
17 \$10,000.00, issued by Western Surety Company, as surety (Bond No. 63069169), is hereby  
18 exonerated and the surety discharged.

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ORDER APPROVING FINAL REPORT, TERMINATING  
RECEIVERSHIP, AND GRANTING RELATED RELIEF - 3

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1 Dated this 10 day of April, 2018.

Brad Moore  
Pro Tem

2  
3 COMMISSIONER/JUDGE

4 Presented by:

5  
6 SCHWABE WILLIAMSON & WYATT, P.C.

7  
8 By: /s/Alex Poust

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ORDER APPROVING FINAL REPORT, TERMINATING  
RECEIVERSHIP, AND GRANTING RELATED RELIEF - 4

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