

**Court File No. CV-19-00614629-00CL**

**PAYLESS SHOESOURCE CANADA INC. and  
PAYLESS SHOESOURCE CANADA GP INC.**

**NINTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR**

**September 3, 2020**

Court File No. CV-19-00614629-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,**  
**R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF**  
**PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA**  
**GP INC.**

(the "**Applicants**")

**NINTH REPORT TO THE COURT**  
**SUBMITTED BY FTI CONSULTING CANADA INC.,**  
**IN ITS CAPACITY AS MONITOR**

**A. INTRODUCTION**

1. On February 18, 2019, Payless Holdings LLC and certain of its subsidiaries and affiliates commenced cases under Chapter 11 of Title 11 of the United States Bankruptcy Code (collectively, the "**U.S. Proceedings**") in the United States Bankruptcy Court for the Eastern District of Missouri (the "**U.S. Court**").
2. On February 19, 2019, Payless ShoeSource Canada Inc. ("**PSSC**") and Payless ShoeSource Canada GP Inc. (together with PSSC, the "**Applicants**"), which were debtors in the U.S. Proceedings, sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The benefits, protections, authorizations and restrictions of the Initial Order were also extended to Payless ShoeSource Canada LP ("**Payless Canada LP**", and together with the Applicants, the "**Payless Canada Entities**", and together with the additional entities subject to the U.S. Proceedings, the "**Debtors**"). The proceedings commenced under the CCAA by the Payless Canada Entities are referred to herein as the "**CCAA Proceedings**".

3. The Initial Order, among other things:
  - (a) appointed FTI Consulting Canada Inc. ("**FTI**") as monitor of the Payless Canada Entities (in such capacity, the "**Monitor**") in the CCAA Proceedings;
  - (b) granted a stay of proceedings (the "**Stay of Proceedings**") against the Payless Canada Entities until and including March 21, 2019;
  - (c) approved the engagement of Ankura Consulting Group, LLC ("**Ankura**") as Chief Restructuring Organization (in such capacity, the "**CRO**") of the Payless Canada Entities; and
  - (d) approved a cross-border protocol.
4. On February 21, 2019, this Court granted an Order approving a liquidation consulting agreement dated February 12, 2019 (the "**Liquidation Consulting Agreement**") between certain of the Debtors (including the Payless Canada Entities) and a contractual joint venture comprised of Great American Group, LLC and Tiger Capital Group, LLC (together, the "**Consultant**"). Pursuant to the Liquidation Consulting Agreement, the Debtors engaged the Consultant to advise the Debtors with respect to the liquidation of inventory and certain fixtures at the stores identified in the Liquidation Consulting Agreement.
5. On March 20, 2019, this Court granted an Order granting the Payless Canada Entities an extension of the Stay of Proceedings until and including June 7, 2019 and approving the Pre-Filing Report, the First Report, the Second Report and the activities of the Proposed Monitor and the Monitor, as applicable.
6. On April 24, 2019, this Court granted an Order (the "**Claims Procedure Order**") approving a claims procedure to solicit and identify (but not resolve) certain claims against the Payless Canada Entities (the "**Claims**").
7. Also on April 24, 2019, this Court granted an Order (the "**Amended Cash Flow Order**") that, *inter alia*, approved the Third Report and authorized the Payless Canada Entities to transfer funds to other Debtors, subject to the existing security interest of the Term Loan Lenders, (a) materially consistent with the Cash Flow Statement (as defined in the

- Amended Cash Flow Order), (b) in such amounts as may be determined by the Payless Canada Entities with the prior written consent of the Monitor, or (c) as otherwise ordered by the Court.
8. On June 4, 2019, this Court granted an Order (the "**Second Stay Extension Order**") granting the Payless Canada Entities an extension of the Stay of Proceedings until and including September 20, 2019 and approving the Fourth Report and the activities of the Monitor. The Second Stay Extension Order also approved the fees and disbursements of the Monitor for the period from February 19, 2019 to May 19, 2019, and of counsel to the Monitor for the period from February 19, 2019 to May 17, 2019.
  9. On September 17, 2019, this Court granted an Order, *inter alia*:
    - (a) granting the Payless Canada Entities an extension of the Stay of Proceedings until and including December 20, 2019;
    - (b) lifting the Stay of Proceedings, to the extent necessary, for the limited purpose of allowing the Payless Canada Entities to apply to the U.S. Court to dismiss the Payless Canada Entities' U.S. Proceedings;
    - (c) ordering that all references to Cash Flow Statement in the Initial Order shall mean the Cash Flow Statement attached to the Fifth Report;
    - (d) approving the fees and disbursements of the Monitor for the period from May 20, 2019 to August 31, 2019, and of counsel to the Monitor for the period from May 18, 2019 to August 31, 2019; and
    - (e) approving the Fifth Report and the activities of the Monitor.
  10. On September 17, 2019, the Monitor filed a Supplement to the Fifth Report which provided a summary of the Original CCAA Plan (as defined below).
  11. On September 19, 2019, this Court granted an Order (the "**Meetings Order**"), *inter alia*, accepting the filing of the Payless Canada Entities' proposed plan of compromise and arrangement dated September 17, 2019 (the "**Original CCAA Plan**") and authorizing the convening of the meetings of creditors to consider and vote on the Original CCAA Plan (the "**Creditors' Meetings**").

12. On October 16, 2019, in accordance with the Meetings Order, the Payless Canada Entities served on the CCAA Proceedings service list the First Amended and Restated CCAA Plan (the "**First Amended CCAA Plan**") and plan supplement to the First Amended CCAA Plan.
13. On October 17, 2019, in accordance with the Meetings Order and the CCAA, the Monitor filed its Sixth Report, which report included a description of the First Amended CCAA Plan and the Monitor's assessment thereof.
14. On October 23, 2019, the Monitor filed its Seventh Report which, *inter alia*, reported on the approval of the First Amended CCAA Plan by the requisite majorities of Affected Creditors at the Creditors' Meetings, the Payless Canada Entities' request for an Order (the "**Sanction Order**") sanctioning the First Amended CCAA Plan pursuant to section 6 of the CCAA, extending the Stay of Proceedings to and including February 28, 2020 and lifting the Stay of Proceedings, to the extent necessary, for the limited purpose of permitting the forgiveness or cancellation in whole or in part of the Intercompany Claims as set out in the U.S. Plan (as defined below) and the Monitor's request for a receivership Order (the "**Receivership Order**"). A copy of the Seventh Report without appendices is attached hereto as Appendix "A".
15. On October 23, 2019, the U.S. Court confirmed the joint plan of reorganization (the "**U.S. Plan**") filed in respect of the Debtors in the U.S. Proceedings other than the Payless Canada Entities who were not proponents under the U.S. Plan (the "**U.S. Debtors**").
16. On October 29, 2019, the Court granted:
  - (a) the Sanction Order in respect of the First Amended CCAA Plan; and
  - (b) the Receivership Order as contemplated under the First Amended CCAA Plan, appointing FTI as Receiver (as defined below) over the Receivership Property, such appointment to only be effective upon the occurrence of certain future events, including the occurrence of the Affected Creditor Distribution Date and the service of the receivership certificate attached as Schedule "A" to the Receivership Order (the "**Receivership Certificate**") on the Service List.

17. Following entry of the Confirmation Order in the U.S. Proceedings and the Sanction Order in the CCAA Proceedings, the U.S. Debtors and the Payless Canada Entities worked to satisfy the closing conditions set out in the respective plans. The effectiveness of the U.S. Plan was a condition precedent to the implementation of the First Amended CCAA Plan.
18. A condition to implementation of the First Amended CCAA Plan was the receipt of a "Comfort Letter" from the Canada Revenue Agency ("**CRA**"). After negotiations with the CRA (through its counsel at the Department of Justice) in respect of its pre-filing claims and certain post-filing obligations, the CRA provided the Payless Canada Entities with a Comfort Letter dated November 1, 2019.
19. The U.S. Plan was implemented on January 14, 2020 and the First Amended CCAA Plan was implemented on January 16, 2020 (the "**CCAA Plan Implementation Date**"). As the Payless Canada Entities were not proponents under the U.S. Plan, the U.S. Court entered an Order on January 16, 2020 that dismissed the Payless Canada Entities' U.S. Proceedings as of January 14, 2020.
20. On February 21, 2020, this Court granted an Order, *inter alia*, granting the Payless Canada Entities an extension of the Stay of Proceedings until and including September 25, 2020 and approving the Eighth Report and the activities of the Monitor. The Order also approved the fees and disbursements of the Monitor and counsel for the Monitor for the period from September 1, 2019 to January 31, 2020.
21. On March 20, 2020, the Receivership Certificate was served in accordance with the Receivership Order.

**B. PURPOSE**

22. The purpose of this Ninth Report of the Monitor (the "**Ninth Report**") is to report to the Court on:
  - (a) an update following the implementation of the First Amended CCAA Plan and the U.S. Plan;
  - (b) the Affected Creditor Distribution Date and unclaimed distributions;

- (c) the current balances of the Administrative Reserve, the Directors' Claim Reserve, the Post-Filing Claim Reserve (collectively with the Administrative Reserve and the Directors' Claim Reserve, the "**Reserves**"), and the Affected Creditor Distribution Account;
- (d) the Payless Canada Entities' motion returnable September 15, 2020 (the "**September 15 Motion**") seeking, among other things, the granting of the CCAA Termination Order (as defined below) which, if granted, would:
  - i. extend the Stay of Proceedings up to and including the date on which the CCAA Termination Certificate (as defined below) is filed (the "**Sixth Stay Extension**");
  - ii. discharge Ankura from any further obligations in its capacity as CRO of the Payless Canada Entities and releasing Ankura from any and all liability that Ankura has or may have in the future arising out of its acts and commissions while acting in its capacity as CRO;
  - iii. authorize the Monitor to pay outstanding invoices, including professional fees and a retainer for a trustee in bankruptcy, from the Reserves without the requirement of further Court order or stakeholder approvals;
  - iv. release the Payless Canada Entities, the Monitor, FTI and their respective directors, officers, employees, legal counsel and advisors, from all claims relating to implementation of the First Amended CCAA Plan, including any Director/Officer Claims or Post-Filing Claims through and including the date of the CCAA Termination Order;
  - v. authorize each of the Payless Canada Entities to file assignments in bankruptcy and to appoint FTI as trustee in bankruptcy or such other trustee as the Payless Canada Entities may determine;
  - vi. approve this Ninth Report of the Monitor and the activities of the Monitor as described herein;

- vii. approve the fees and disbursements of the Monitor and its counsel, Bennett Jones LLP, as set out in the Fee Affidavits (as defined below); and
- viii. upon 14 days' notice (the "**Notice Period**") to the Service List of the intent to file a certificate (the "**CCAA Termination Certificate**") and the filing of the CCAA Termination Certificate upon the expiration of the Notice Period:
  - (a) authorize the Monitor to transfer the balance of the Reserves to the Payless Canada Entities (or such other entities as designated by the Payless Canada Entities) after payment of all outstanding amounts including professional fees and payment of a bankruptcy retainer, and upon such transfer releasing and discharging the Administration Charge and the Directors' Charge (each as defined in the Initial Order);
  - (b) declare that as of the date of the CCAA Termination Certificate (the "**CCAA Termination Date**"), the Monitor and the Payless Canada Entities will have satisfied all of their obligations pursuant to the CCAA and the Orders of this Court granted in the CCAA Proceedings;
  - (c) extend the release of the Payless Canada Entities, the Monitor, FTI, and their respective directors, officers, employees, legal counsel and advisors granted in the proposed CCAA Termination Order to the period through the date of the CCAA Termination Order; and
  - (d) discharge FTI from its duties as Monitor in the CCAA Proceedings as of the CCAA Termination Date and declaring that FTI shall have no further duties, obligations or responsibilities other than the authority to complete or address any matters that may be ancillary or incidental to the CCAA Proceedings following the CCAA Termination Date.



### C. TERMS OF REFERENCE

23. In preparing the Ninth Report, the Monitor has relied upon audited and unaudited financial information provided by the Debtors, including their books and records, financial information, forecasts and analysis, in addition to discussions with various parties, including senior management ("**Management**") of, and advisors to, the Payless Canada Entities and the other Debtors (collectively, the "**Information**").
24. Except as otherwise described in the Ninth Report:
- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in the Ninth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
25. Future-oriented financial information reported in or relied on in preparing the Ninth Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
26. The Monitor has prepared the Ninth Report in connection with the September 15 Motion. The Ninth Report should not be relied on for any other purpose.
27. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
28. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Eighth Report, the First Amended CCAA Plan, or the CCAA Termination Order, as applicable.

**D. UPDATE FOLLOWING THE IMPLEMENTATION OF THE FIRST AMENDED CCAA PLAN AND THE U.S. PLAN**

29. As a result of the U.S. Plan, certain of the Payless Canada Entities' former lenders became the ultimate equity owners of Payless Holdings. Although the Payless Canada Entities remain indirect subsidiaries of Payless Holdings, ownership and management of their parent companies has changed. The Payless Canada Entities ceased all operations at all of its retail stores in Canada on or before April 30, 2019; however, other members of the broader corporate group (the "**Payless Group**") outside of Canada continue to operate online, retail and franchise businesses through other members of the Payless Group and joint ventures.
30. Since the CCAA Plan Implementation Date, the Monitor and the Payless Canada Entities have worked to resolve all remaining claims which may be eligible for payment from the Post-Filing Claims Reserve and the Directors' Claim Reserve.
31. The Monitor understands that the COVID-19 pandemic has resulted in certain delays in the Payless Canada Entities' ability to address post-implementation matters as quickly as expected. Extended office closures and alternative working arrangements across the United States and Canada, including those of the Payless Group as well as of many of the post-filing claimants, have resulted in a delay of requests and delivery of certain information. As of the date of this Ninth Report, the Monitor is aware of five additional estimated post-filing claims outstanding of approximately \$150,000, which includes an estimated retained for payment of professional fees in relation to the subsequent bankruptcies of the Payless Canada Entities. The Monitor is actively working to confirm and finalize the post-filing amounts with the relevant parties with the assistance of the Payless Canada Entities and the Payless Group, and intends to release funds from the Post-Filing Claims Reserve for the amounts owing with approval of the requisite parties.
32. The Monitor understands that, notwithstanding the COVID-19 pandemic and the related challenges, the Payless Canada Entities, with the assistance of their tax advisors, have filed their 2019 tax returns and are awaiting notices of assessment from the CRA. The Monitor understands that the Payless Canada Entities intend to file a minor amendment to their 2018

tax returns in the coming weeks. Based on the tax returns filed, the Payless Canada Entities do not believe that there are any amounts owing to the CRA.

33. With the assistance of the Monitor, the Payless Canada Entities have responded to inquiries from various provincial and municipal governments with respect to post-filing obligations and provided information where required to accompany certain provincial reporting requirements.
34. In late 2019, the Payless Canada Entities sent a letter to each of their former landlords requesting that the landlords forward invoices for any outstanding post-filing amounts. The Monitor has not received any additional invoices or indications of amounts owing from any of the Payless Canada Entities' landlords since the CCAA Plan Implementation Date and establishment of the Reserves.
35. As of the date of this Ninth Report, the Monitor, on behalf of the Payless Canada Entities, has paid, or intends to pay prior to filing of the CCAA Termination Certificate, all known Post-Filing Claims. The Monitor and the Payless Canada Entities are not aware of any unpaid post-filing obligations and have made diligent efforts to confirm same with the parties likely to claim such amounts.
36. In light of the aforementioned delays in implementing the First Amended CCAA Plan and undertaking the necessary post-implementation steps to complete these CCAA Proceedings, the Administrative Reserve has now been depleted.

**E. AFFECTED CREDITOR DISTRIBUTION DATE AND REMAINING DISTRIBUTIONS**

37. Since the CCAA Plan Implementation Date, and in accordance with the First Amended CCAA Plan, the Payless Canada Entities and the Monitor have worked to complete the distributions required under the First Amended CCAA Plan. The Affected Creditor Distribution Date was declared on March 10, 2020 and distribution cheques were issued by mail to Affected Creditors shortly thereafter.
38. Pursuant to the First Amended CCAA Plan, Affected Creditors who fail to cash their cheques within six (6) months of the Affected Creditor Distribution Date forfeit their

distributions. The 6-month period is set to expire on September 10, 2020. The Affected Creditor Distribution Account was funded on January 16, 2020 with approximately \$1.18 million in accordance with the First Amended CCAA Plan. As of August 31, 2020, and as presented below, there are 37 unclaimed distributions totaling approximately \$92,000, which represents approximately 7.8% of total available distributions of \$1.18 million.

39. Subject to Court approval and pursuant to the First Amended CCAA Plan, it is contemplated that any forfeited funds will be returned to the Payless Canada Entities.

**F. CURRENT BALANCES OF THE RESERVES AND AFFECTED CREDITOR DISTRIBUTION ACCOUNT**

40. The table below provides a summary of the balances of the Reserves and Affected Creditor Distribution Account from the February 8, 2020 to August 31, 2020, plus estimated disbursements to be made from the Post-Filing Claim Reserve:

**Payless Canada Entities**  
**Reserves and Affected Creditor Distribution Account Balances**  
*(in thousands of CAD)*

	Opening Balance	Receipts	Disbursements	Ending Balance	Estimated Disbursements	Forecast Ending Balance at CCAA Termination Date
<i>Applicable Date:</i>	7-Feb-20			31-Aug-20	After 31-Aug-20	
Post-Filing Claim Reserve Account	\$ 897	\$ 3	\$ (41)	\$ 859	\$ (150)	\$ 709
Directors' Claim Reserve Account	2,002	6	(29)	\$ 1,979	-	1,979
Administrative Reserve Account	216	34	(250)	\$ 0	-	0
<b>TOTAL RESERVES</b>	<b>3,115</b>	<b>43</b>	<b>(320)</b>	<b>\$ 2,838</b>	(150)	<b>2,688</b>
Affected Creditor Distribution Account	1,184	7	(1,099)	\$ 92	-	92
<b>TOTAL RESERVES AND AFFECTED CREDITOR DISTRIBUTION ACCOUNT</b>	<b>\$ 4,299</b>	<b>\$ 50</b>	<b>\$ (1,418)</b>	<b>\$ 2,930</b>	<b>\$ (150)</b>	<b>\$ 2,780</b>

41. Comments on the various receipts and disbursements to and from the Reserve Accounts and the Affected Creditor Distribution Account from February 8, 2020 to August 31, 2020 are as follows:

- (a) Of the total receipts of \$50 thousand, approximately \$22 thousand pertain to interest income earned during the period noted. The remaining amount of approximately \$29 thousand represents a transfer that was made with the requisite approvals from

the Directors' Claim Reserve Account to the Administrative Reserve Account to address the payment of amounts required to obtain the comfort letter as previously contemplated in the Eighth Report.

- (b) During the period noted and with the approval of the Payless Canada Entities and the provision of proper notice to the Term Loan Agent and the Supporting Term Loan Lenders as required, the Monitor made the following disbursements:
    - i. Disbursement of approximately \$41 thousand from the Post-Filing Claim Reserve to the Payless Canada Entities' tax accountant in relation to the preparation of the 2018 amended tax returns and 2019 tax returns; and
    - ii. Disbursements totaling approximately \$250 thousand from the Administrative Reserve Account for payment of professional services rendered by various parties in relationship to the CCAA Proceedings.
42. As of August 31, 2020, the Monitor held approximately \$2.8 million total in the bank accounts for the Reserves and \$0.1 million in the Affected Creditor Distribution Account.
43. As previously noted in this Ninth Report, the Payless Canada Entities, with the assistance of the Monitor, have identified five additional estimated post-filing claims outstanding totaling approximately \$150,000, which includes an estimated retainer for payment of professional fees in relation to subsequent bankruptcies of the Payless Canada Entities.
44. The Monitor will not distribute funds until finalization and payment of all post-filing claims. Subject to any further post-filing claims being identified by the Payless Canada Entities or the Monitor that are paid between now and the CCAA Termination Date, it is estimated that approximately \$2.8 million will be returned to the Payless Canada Entities.

## **G. PROPOSED CCAA TERMINATION ORDER**

### *(i) CRO Discharge*

45. The Monitor understands that the Payless Group's new management has determined that many of the services provided by Ankura could be efficiently brought back in-house following the completion of the restructuring. A number of these services include work

that Ankura has provided to the Payless Canada Entities since the closure of the Canadian regional office in May of 2019.

46. The Monitor understands that the Payless Canada Entities no longer believe that assistance from Ankura is required and as such, are seeking to have Ankura's appointment as CRO terminated. Nearly all of the post-implementation date steps under the First Amended CCAA Plan have been completed and the Payless Canada Entities each anticipate, subject to Court approval, making an assignment in bankruptcy in the near future. Given the foregoing, the Payless Canada Entities do not require Ankura's services on a go-forward basis. Ankura has consented to the relief in the CCAA Termination Order sought in connection with its retention.

*(ii) Payment of Professional Fees*

47. Pursuant to the First Amended CCAA Plan, to the extent that the Monitor or the Payless Canada Entities determine that there are insufficient funds in any of the Reserves, they may, in consultation with the Supporting Term Loan Lenders, transfer funds between the Reserves. Given that the Supporting Term Loan Lenders are now either (i) the equity owners of the reorganized business, or (ii) compromised pursuant to the U.S. Plan (subject to certain limitations), the Payless Canada Entities are seeking, as part of the relief being sought in connection with the September 15 Motion, Court approval permitting the Monitor to transfer additional funds from the Post-Filing Claims Reserve to the Administrative Reserve to fund the final administrative expenses of these CCAA Proceedings and the anticipated bankruptcies of the Payless Canada Entities, if necessary. The Payless Canada Entities and the Monitor estimate that sufficient funds are available to complete the final steps of these CCAA Proceedings. The Monitor understands that, for professional firms holding retainers in relation to the CCAA Proceedings, including legal counsel to the Payless Canada Entities and the Monitor and its legal counsel, each professional firm will apply actual professional fees incurred to complete the final steps of these CCAA Proceedings against its retainer and remit the excess retainer back to the Payless Canada Entities. Should any retainer be insufficient to cover professional fees incurred to complete the final steps required in the CCAA Proceedings, the Monitor will transfer funds from the Post-Filing Claims Reserve to the Administrative Reserve to fund the shortfall.

*(iii) Releases in Favour of the Monitor and the Payless Canada Entities*

48. The Monitor and the Payless Canada Entities have, to date, satisfied all of their obligations pursuant to the CCAA and the Orders of this Court granted in these CCAA Proceedings. The proposed CCAA Termination Order provides that the Payless Canada Entities, the Monitor, FTI and their respective directors, officers, employees, legal counsel and advisors (the "**Released Parties**"), are released from all claims relating to the implementation of the First Amended CCAA Plan, including any Director/Officer Claims, Post-Filing Claims or Claims compromised pursuant to the First Amended CCAA Plan (the "**CCAA Releases**").
49. The Monitor understands that the purpose of the CCAA Releases is to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the Payless Canada Entities current circumstances.
50. In the circumstances, the Monitor believes that the CCAA Releases are reasonable and appropriate in the circumstances and facilitates the completion of the CCAA Proceedings in an efficient and orderly manner.

*(iv) Destruction of Records*

51. The Payless Canada Entities continue to have documents in storage in Canada at Iron Mountain Canada and the Monitor, on behalf of the Payless Canada Entities, is in the process of arranging for payment for the outstanding costs for storage of approximately 800 boxes of documents. The Monitor understands that the majority of the records in storage in Canada relate to the former employees of the Payless Canada Entities; however, there are also some records related to historical operations of the Payless Canada Entities.
52. In light of the go forward costs, and the fact that neither the Payless Canada Entities nor the Payless Group require retention of these paper records, the Payless Canada Entities are seeking authority from the Court to destroy all such records. If certain records need to be retained for a bankruptcy, the Monitor intends to request retention of those prior records to destruction.
53. With respect to employee records (which, as mentioned, account for the majority of the records), the Monitor continues to have access to an electronic database maintained by

ADP as the Payless Canada Entities' payroll services provided, which is more accessible and searchable than the paper records in a storage facility should additional employee-related information be required.

*(v) Additional Relief*

54. The requested CCAA Termination Order also contemplates that certain relief contained therein will be effective upon the Monitor filing the CCAA Termination Certificate after providing the Service List with 14 days' notice of its intention to do so. That relief includes, among other things:

*(a) Payment to the Payless Canada Entities*

- i. Pursuant to section 7.3 of the First Amended CCAA Plan, any funds that remain in the Reserves, and are not required for the purposes set out in the First Amended CCAA Plan, may be returned to the Payless Canada Entities with the consent of the Supporting Term Loan Lenders or by an Order of the Court. In light of the foregoing and given that obtaining consent of the Supporting Term Loan Lenders may not be possible now that they are either the owners of the business or have otherwise been paid out pursuant to the U.S. Plan, the Payless Canada Entities are seeking approval of the Court to permit the balance of the Reserves (as determined by the Monitor) to be returned to the Payless Canada Entities. The amount expected to be returned is approximately \$2.8 million.
- ii. The Monitor understands that the Payless Canada Entities intend to eventually return such funds to the Payless Group through a return of paid up capital or other intercompany transaction in advance of making their assignments into bankruptcy. The Payless Canada Entities do not expect any material claims to be filed in the bankruptcies.



(b) *Release of the Charges*

- i. Any claims that would have been secured by the Charges will be fully and finally released, if not previously satisfied. Given the foregoing, the Charges will no longer be required.

(c) *Discharge of the Monitor*

- i. The proposed CCAA Termination Order provides that these CCAA Proceedings shall be terminated upon the filing by the Monitor of the CCAA Termination Certificate confirming that all matters to be attended to in connection with the Payless Canada Entities have been completed. FTI shall be discharged as Monitor effective on the CCAA Termination Date.
- ii. Additionally, the proposed CCAA Termination Order authorizes (but does not require) a bankruptcy assignment in respect of each of the Payless Canada Entities.

**H. REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS**

55. As noted, the current Stay of Proceedings expires on September 25, 2020.
56. The Payless Canada Entities are seeking an Order (the "**CCAA Termination Order**") which, *inter alia*, would extend the Stay of Proceedings up to the date and time that the CCAA Termination Certificate is filed.
57. The Payless Canada Entities and the Monitor require the Sixth Stay Extension to, among other things, address outstanding matters in respect of the post-filing claims and address any remaining corporate and tax matters.
58. The continuation of the Stay of Proceedings is necessary to provide the stability needed to complete the foregoing activities, and the Monitor believes that the Sixth Stay Extension is appropriate in the circumstances.
59. As previously indicated in this Ninth Report and considering the current balance of the Reserves, the Payless Canada Entities are forecast to have sufficient liquidity to fund the

CCAA Proceedings during the requested extension of the Stay of Proceedings as well as to conclude the CCAA Proceedings.

60. Based on the information currently available, the Monitor believes that creditors of the Payless Canada Entities would not be materially prejudiced by the proposed extension of the Stay of Proceedings. The Monitor also believes that the Payless Canada Entities have acted, and continue to act, in good faith and with due diligence and that the circumstances exist that make an extension of the Stay of Proceedings appropriate.
61. The Monitor therefore respectfully recommends that this Honourable Court grant the Sixth Stay Extension.

**I. THE ACTIVITIES OF THE MONITOR AND THE FEES OF THE MONITOR AND ITS COUNSEL**

62. The CCAA Termination Order also seeks approval of the Ninth Report and the actions, conduct, activities, fees and disbursements of the Monitor and its counsel.
63. The Monitor respectfully submits that the activities undertaken to date in the CCAA Proceedings have been carried out in good faith and in accordance with the provisions of the orders issued therein and should therefore be approved.
64. Pursuant to paragraphs 42 and 43 of the Initial Order, the Monitor and its counsel are to: (i) be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of the Initial Order, by the Payless Canada Entities as part of the costs of the CCAA Proceedings; and (ii) pass their accounts from time-to-time before this Court.
65. Throughout the course of the CCAA Proceedings, the fees and disbursements of the Monitor and counsel to the Monitor have been paid from time-to-time. The Monitor and counsel to the Monitor have maintained detailed records of their time and disbursements as they relate to the CCAA Proceedings.
66. The Affidavit of Toni Vanderlaan sworn September 3, 2020 (the "**Vanderlaan Affidavit**"), which is attached as Appendix "B", includes, at Exhibit "A" thereto, copies of the invoices rendered by the Monitor in respect of these CCAA Proceedings that have been

redacted to protect certain privileged information. For the period from February 1, 2020 to August 31, 2020, the Monitor's accounts total \$94,767.50 in fees, \$126.88 in expenses and disbursements and \$12,336.29 in HST for a total amount of \$107,230.67. At Exhibit "C" to the Vanderlaan Affidavit, there is a summary of the personnel, hours and hourly rates charged by the Monitor in respect of these CCAA Proceedings.

67. The Affidavit of Sean H. Zweig sworn September 3, 2020 (the "**Zweig Affidavit**", and together with the Vanderlaan Affidavit, the "**Fee Affidavits**"), which is attached as Appendix "C", includes, at Exhibit "A" thereto, copies of the invoices rendered by counsel to the Monitor in respect of these CCAA Proceedings that have been redacted to protect certain privileged information. For the period from January 22, 2019 to August 31, 2020, counsel to the Monitor's accounts total \$53,893.00 in fees, \$1,916.00 in expenses and disbursements and \$7,255.17 in GST/HST for a total amount of \$63,064.17. At Exhibit "C" to the Zweig Affidavit, there is a summary of the personnel, hours and hourly rates charged by counsel to the Monitor in respect of these CCAA Proceedings.
68. The Monitor has played, and continues to play, a significant role in the CCAA Proceedings. During the relevant period, the activities of the Monitor have included:
  - (a) engaging with the Payless Canada Entities and its legal counsel, and Ankura on various matters in the CCAA Proceedings with a view to concluding all remaining tasks to be completed in the CCAA Proceedings in a timely manner;
  - (b) working with the Payless Canada Entities and its legal counsel, and Ankura to track the Reserves and Affected Creditor Distribution Account, and provide updates and forecasts as applicable;
  - (c) communicating with various creditors and other stakeholders of the Payless Canada Entities' to keep them apprised of the CCAA Proceedings;
  - (d) working cooperatively with the Payless Canada Entities to resolve all outstanding Claims, including those pertaining to the post-filing period, submitted in accordance with the Claims Procedure Order; and

(e) working with the Payless Canada Entities to make the requisite distributions following the Affected Creditor Distribution Date.

69. The Monitor submits that the fees and disbursements incurred by the Monitor and counsel to the Monitor, as more particularly described in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in respect of these CCAA Proceedings. The Monitor respectfully requests the approval of the fees and disbursements of the Monitor and counsel to the Monitor as set out in the Fee Affidavits.

**J. CONCLUSION AND RECOMMENDATION**

70. For the reasons stated in the Ninth Report, the Monitor supports the relief sought by the Payless Canada Entities in connection with the September 15 Motion.

The Monitor respectfully submits to the Court this, its Ninth Report.

Dated this 3<sup>rd</sup> day of September 2020.

FTI Consulting Canada Inc.,

solely in its capacity as Monitor of Payless ShoeSource Canada Inc.,  
Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP,  
and not in its personal capacity




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Greg Watson  
Senior Managing Director




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Paul Bishop  
Senior Managing Director

**APPENDIX "A"**

**[ATTACHED]**

**Court File No. CV-19-00614629-00CL**

**PAYLESS SHOESOURCE CANADA INC. and  
PAYLESS SHOESOURCE CANADA GP INC.**

**SEVENTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR**

**October 23, 2019**

Court File No. CV-19-00614629-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA  
GP INC.**

(the "**Applicants**")

**SEVENTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**A. INTRODUCTION**

1. On February 18, 2019, Payless Holdings LLC and certain of its subsidiaries and affiliates commenced cases (collectively, the "**U.S. Proceedings**") under Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Missouri (the "**U.S. Court**").
2. On February 19, 2019, Payless ShoeSource Canada Inc. ("**PSSC**") and Payless ShoeSource Canada GP Inc. (together with PSSC, the "**Applicants**"), which are debtors in the U.S. Proceedings, sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The benefits, protections, authorizations and restrictions of the Initial Order were also extended to Payless ShoeSource Canada LP ("**Payless Canada LP**", and together with the Applicants, the "**Payless Canada Entities**", and together with the other Payless entities subject to the U.S. Proceedings, the "**Debtors**"). The proceedings commenced under the CCAA by the Payless Canada Entities are referred to herein as the "**CCAA Proceedings**".

3. The Initial Order, among other things:
  - (a) appointed FTI Consulting Canada Inc. ("**FTI**") as monitor of the Payless Canada Entities (in such capacity, the "**Monitor**") in the CCAA Proceedings;
  - (b) granted a stay of proceedings (the "**Stay of Proceedings**") against the Payless Canada Entities until and including March 21, 2019;
  - (c) approved the engagement of Ankura Consulting Group, LLC ("**Ankura**") as Chief Restructuring Organization of the Payless Canada Entities; and
  - (d) approved a cross-border protocol.
4. On February 21, 2019, this Court granted an order approving a liquidation consulting agreement dated February 12, 2019 (the "**Liquidation Consulting Agreement**") between certain of the Debtors (including the Payless Canada Entities) and a contractual joint venture comprised of Great American Group, LLC and Tiger Capital Group, LLC (together, the "**Consultant**"). Pursuant to the Liquidation Consulting Agreement, the Debtors engaged the Consultant to advise the Debtors with respect to the liquidation of inventory and certain fixtures at the stores identified in the Liquidation Consulting Agreement.
5. On March 20, 2019, this Court granted an Order granting the Payless Canada Entities an extension of the Stay of Proceedings until and including June 7, 2019 and approving the Pre-Filing Report, the First Report, the Second Report and the activities of the Proposed Monitor and the Monitor, as applicable.
6. On April 24, 2019, this Court granted an Order (the "**Claims Procedure Order**") approving a claims procedure to solicit and identify (but not resolve) certain claims against the Payless Canada Entities (the "**Claims**").
7. Also on April 24, 2019, this Court granted an Order (the "**Amended Cash Flow Order**") that, *inter alia*, approved the Third Report and authorized the Payless Canada Entities to transfer funds to the Debtors, subject to the existing security interest of the Term Loan Lenders, (a) materially consistent with the Cash Flow Statement (as defined in the Amended Cash Flow Order), (b) in such amounts as may be determined by the Payless



Canada Entities with the prior written consent of the Monitor, or (c) as otherwise ordered by the Court.

8. On June 4, 2019, this Court granted an Order (the "**Second Stay Extension Order**") granting the Payless Canada Entities an extension of the Stay of Proceedings until and including September 20, 2019 and approving the Fourth Report and the activities of the Monitor. The Second Stay Extension Order also approved the fees and disbursements of the Monitor for the period from February 19, 2019 to May 19, 2019, and of counsel to the Monitor for the period from February 19, 2019 to May 17, 2019.
9. On September 17, 2019, this Court granted an Order (the "**Third Stay Extension Order**"), *inter alia*:
  - (a) granting the Payless Canada Entities an extension of the Stay of Proceedings until and including December 20, 2019;
  - (b) lifting the Stay of Proceedings, to the extent necessary, for the limited purpose of allowing the Payless Canada Entities to apply to the U.S. Court to dismiss the Payless Canada Entities' U.S. Proceedings;
  - (c) ordering that all references to Cash Flow Statement in the Initial Order shall mean the cash flow statement attached to the Fifth Report;
  - (d) approving the fees and disbursements of the Monitor for the period from May 20, 2019 to August 31, 2019, and of counsel to the Monitor for the period from May 18, 2019 to August 31, 2019; and
  - (e) approving the Fifth Report and the activities of the Monitor.
10. On September 17, 2019, the Monitor filed a Supplement to the Fifth Report (the "**Supplemental Report**") which provided a summary of the CCAA Plan (as defined below).
11. On September 19, 2019, this Court granted an Order (the "**Meetings Order**"), *inter alia*, accepting the filing of the Payless Canada Entities' proposed plan of compromise and arrangement dated September 17, 2019 (as may be amended in accordance with the terms

thereof, the "**CCAA Plan**") and authorizing the convening of the meetings of creditors to consider and vote on the CCAA Plan (the "**Creditors' Meetings**").

12. On October 16, 2019, the Payless Canada Entities served on the Service List the First Amended and Restated CCAA Plan (the "**First Amended CCAA Plan**") and plan supplement to the First Amended CCAA Plan (the "**Plan Supplement**").
13. On October 17, 2019, in accordance with the Meetings Order and the CCAA, the Monitor filed its Sixth Report, which report included a description of the First Amended CCAA Plan and the Monitor's assessment thereof. A Copy of the Sixth Report is attached hereto as Appendix "A".

**B. PURPOSE**

14. The purpose of this Seventh Report of the Monitor (the "**Seventh Report**") is to report to the Court on:
  - (a) the receipts and disbursements of the Payless Canada Entities for the five-week period ending October 4, 2019;
  - (b) the Payless Canada Entities' current cash balances;
  - (c) an update on the U.S. Proceedings confirmation hearing which occurred on October 23, 2019;
  - (d) the approval of the First Amended CCAA Plan by the requisite majorities of Affected Creditors at the Creditors' Meetings;
  - (e) the Payless Canada Entities' request for an Order pursuant to section 6 of the CCAA for sanction of the First Amended CCAA Plan (the "**Sanction Order**") and the Monitor's recommendation with respect thereto;
  - (f) the Receivership Order being sought by the Monitor in accordance with the First Amended CCAA Plan; and
  - (g) the Payless Canada Entities' request for the Fourth Stay Extension (as defined below) and a limited lifting of the stay of proceedings to deal with intercompany claims.

### C. TERMS OF REFERENCE

15. In preparing the Seventh Report, the Monitor has relied upon audited and unaudited financial information provided by the Debtors, including their books and records, financial information, forecasts and analysis, in addition to discussions with various parties, including senior management ("**Management**") of, and advisors to, the Payless Canada Entities, the other Debtors, and Ankura (collectively, the "**Information**").
16. Except as otherwise described in the Seventh Report:
  - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in the Seventh Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
17. Future-oriented financial information reported in or relied on in preparing the Seventh Report is based on Management's and Ankura's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
18. The Monitor has prepared the Seventh Report in connection with the Sanction Motion. The Seventh Report should not be relied on for any other purpose.
19. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
20. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the First Amended CCAA Plan, the Plan Supplement and/or the Sanction Order, as applicable.

**D. RECEIPTS AND DISBURSEMENTS FOR THE PERIOD FIVE-WEEK PERIOD ENDING OCTOBER 4, 2019**

21. The Payless Canada Entities' actual net cash outflow on a consolidated basis for the five week period ending October 4, 2019 was approximately \$1.0 million, compared to a forecast net cash outflow of approximately \$0.6 million as noted in the Fifth Cash Flow Forecast filed as Appendix "A" to the Fifth Report, representing a negative variance of approximately \$0.4 million as summarized below.

Payless Canada Entities Variance Report (CAD \$000s)	For the 5 week period ending October 4, 2019		
	Forecast	Actual	Variance
<b>Operating Receipts</b>	-	37	37
<b>Operating Disbursements</b>			
Payroll and Employee Related Costs	-	-	-
Occupancy Costs	-	-	-
Operating Expenses, Corporate, and Other	-	(19)	(19)
<b>Total Operating Disbursements</b>	-	(19)	(19)
<b>Cash Flow From Operations</b>	-	18	18
Professional Fees	(591)	(1,046)	(455)
Liquidation Costs	-	-	-
<b>Total Non-Operating Disbursements</b>	(591)	(1,046)	(455)
<b>Net Cash Inflows / (Outflows)</b>	(591)	(1,028)	(437)
<b>Cash</b>			
Beginning Balance	9,055	8,637	(418)
Net Cash Inflows / (Outflows)	(591)	(1,028)	(437)
Canadian Transfer Funds	-	-	-
<b>Ending Balance</b>	<b>8,464</b>	<b>7,609</b>	<b>(855)</b>

22. Explanations for the variances in actual receipts and disbursements as compared to the Fifth Cash Flow Forecast are as follows:
- Operating Receipts were approximately \$0.04 million compared to a forecast amount of \$nil primarily due to the return of security deposits by certain utility companies who provided services to the stores.
  - Operating Disbursements were approximately \$0.02 million compared to a forecast amount of \$nil. These expenditures were forecast in a later period.

- (c) Total Non-Operating Disbursements of approximately \$1.0 million were incurred compared to a forecast amount of \$0.6 million, which resulted in a variance of approximately \$0.4 million. Professional fees incurred were higher than forecast primarily due to the work associated with the CCAA Plan and the First Amended CCAA Plan, and the preparation, coordination, and administration of the documents and discussions related thereto.

**E. THE PAYLESS CANADA ENTITIES' CURRENT CASH BALANCES**

23. The CCAA Entities currently have approximately \$7.6 million of cash in their bank accounts.
24. If the First Amended CCAA Plan is approved by creditors and sanctioned by the Court and pursuant to the Plan Supplement, the following reserves will be funded by the CCAA Entities (the “Reserves”) to complete the administration of the proceedings:
- (a) Administrative Reserve \$1,065,150 (less amounts paid for October 2019)
  - (b) Directors’ Claim Reserve \$2,000,000
  - (c) Post-Filing Claim Reserve \$908,402
  - (d) Priority Claim Reserve \$0
25. The Monitor is of the opinion that the Reserves are sufficient to fund the Payless Canada Entities during the Fourth Stay Extension, and to conclude the administration of the CCAA Proceedings. The Reserves will be funded following approval and sanction of the plan and the Monitor will report further on the Reserves in future reports.
26. Should the First Amended CCAA Plan not be sanctioned by the Court, the current cash balance of \$7.6 million would be sufficient to fund the Payless Canada Entities during the Fourth Stay Extension. The current cash balance is in excess of the USD \$2 million Administration Charge and USD \$2 million D&O Charge prescribed by the Initial Order and will be held pending resolution of any claims against the charges.

**F. UPDATE ON THE U.S. PROCEEDINGS**

27. The Monitor understands that notwithstanding a limited objection filed by the United States Trustee, on October 23, 2019, the U.S. Plan was confirmed by the Honourable Kathy A. Surratt-States.
28. Additionally, the Monitor understands that the Payless Canadian Entities' Motion Seeking Entry of an Order Pursuant to 11 U.S.C. § 1112(b) Dismissing the Chapter 11 Cases of the Payless Canada Entities was granted, which dismissal will only become effective upon implementation of the U.S. Plan.

**G. THE APPROVAL OF THE FIRST AMENDED CCAA PLAN BY AFFECTED CREDITORS**

29. As previously described in further detail in the Sixth Report, the Monitor distributed the Information Package and the Notice of Creditors' Meetings and Sanction Motion in accordance with the provisions of the Meetings Order.

*(i) Meeting of the General Unsecured Creditors Class*

30. The meeting of the General Unsecured Creditors class (the "**General Unsecured Meeting**") was held in accordance with the Meetings Order on October 23, 2019 at the offices of Cassels, Brock & Blackwell LLP for the purpose of allowing the General Unsecured Creditors to consider and vote on the First Amended CCAA Plan. The General Unsecured Meeting was chaired by Jim Robinson, a representative of the Monitor, and was conducted in accordance with the provisions of the Meetings Order. A quorum was present for the General Unsecured Meeting.
31. At the General Unsecured Meeting, a motion for resolution to approve the First Amended CCAA Plan was made and seconded. The General Unsecured Creditors present and eligible to vote did so as follows:

	General Unsecured Creditors Class		
	Disputed Claims	Undisputed Claims	Total
# For	11	33	44
# Against	1	0	1
Total by Number	12	33	45
% For	91.67%	100.00%	97.78%
\$ For	80,043.98	418,328.92	498,372.90
\$ Against	38,323.00	-	38,323.00
Total by Value	118,366.98	418,328.92	536,695.90
% For	67.62%	100.00%	92.86%

(ii) *Meeting of the Landlord Class*

32. The meeting of the Landlord class (the "**Landlord Meeting**") was held in accordance with the Meetings Order on October 23, 2019 at the offices of Cassels, Brock & Blackwell LLP for the purpose of allowing the Landlords to consider and vote on the First Amended CCAA Plan. The Landlord Meeting was also chaired by Jim Robinson, a representative of the Monitor, and was conducted in accordance with the provisions of the Meetings Order. A quorum was present for the Landlord Meeting.
33. At the Landlord Meeting, a motion for resolution to approve the First Amended CCAA Plan was made and seconded. The Landlords present and eligible to vote did so as follows:

	Landlord Class		
	Disputed Claims	Undisputed Claims	Total
# For	111	13	124
# Against	2	0	2
Total by Number	113	13	126
% For	98.23%	100.00%	98.41%
\$ For	44,135,369.25	177,699.63	44,313,068.88
\$ Against	642,667.73	-	642,667.73
Total by Value	44,778,036.98	177,699.63	44,955,736.61
% For	98.56%	100.00%	98.57%

(iii) *Approval of the First Amended CCAA Plan by Affected Creditors and Status of Review of Claims*

34. Pursuant to section 6 of the CCAA and the Meetings Order, a majority in number representing two-thirds in value of creditors present and voting at a meeting of creditors is

required for the approval of a plan of arrangement or compromise. As described above, the requisite majorities were achieved at both the General Unsecured Meeting and Landlord Meeting and, accordingly, the First Amended CCAA Plan was approved by the Affected Creditors voting in both classes.

35. At this time, no Claims have been allowed or disallowed by the Payless Canada Entities and the Monitor, other than Listed Claims that were not disputed under the Claims Procedure Order. As noted in the tables above, there are Disputed Voting Claims that the Monitor is in the process of reviewing. In light of the proposed distributions to be made under the First Amended CCAA Plan, the Monitor is conducting a focused review of the Claims received, and has identified certain General Unsecured Claims that will need to be revised or disallowed. The Payless Canada Entities and the Monitor intend to send Notices of Revision or Disallowance to a limited number of General Unsecured Creditors in the coming weeks. Given the treatment of Landlord Claims under the First Amended CCAA Plan, the Monitor and the Payless Canada Entities do not intend to revise or disallow any Landlord Claims submitted.

## **H. REQUEST FOR THE SANCTION ORDER**

36. The leading case of *Re Northland Properties Ltd.* (1989), 73 C.B.R. (N.S.) 195, 34 B.C.L.R. (2d) 122, [1989] 3 W.W.R. 363 (C.A.) articulates that for a plan of arrangement or compromise to be sanctioned pursuant to the CCAA, the following three (3) tests must be met:

- (a) there has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
- (b) nothing has been done or purported to have been done that is not authorized by the CCAA; and
- (c) the plan is fair and reasonable.

### **(i) *Statutory Compliance and Adherence to Previous Court Orders***

37. The CCAA contains a number of provisions where strict compliance is required before a plan of arrangement can be sanctioned by the court.



38. Section 5.1 of the CCAA contemplates the compromise of claims against directors; however, section 5.2 mandates certain exceptions. Specifically, a provision for the compromise of claims against directors may not include claims that:
- (a) relate to contractual rights of one or more creditors; or
  - (b) are based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.
39. As described in the Fifth Report and the Supplemental Report and the Sixth Report, the First Amended CCAA Plan provides for broad releases to the full extent permitted by law for the Payless Canada Entities, the Term Loan Agent, the Term Loan Lenders and the Monitor, and each of their respective directors, officers, agents, professional advisors and certain other parties (each a "**Released Party**" and collectively, the "**Released Parties**") from claims based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligations, dealing or other occurrence existing or taking place on or prior to the Effective Time of the First Amended CCAA Plan arising out of or in connection with the Affected Claims, the First Amended CCAA Plan, the U.S. Proceedings, the CCAA Proceedings or any D&O Claim that has been barred or extinguished by operation of the Claims Procedure Order.
40. The releases in favour of the Released Parties (the "**Releases**") do not release or discharge:
- (a) the Payless Canada Entities and their respective assets, undertakings and properties from any Unaffected Claim that has not been paid in full under the First Amended CCAA Plan or the Plan Supplement to the extent of such non-payment;
  - (b) a Released Party from its obligations under the First Amended CCAA Plan or the Plan Supplement;
  - (c) subject to the provisions in the First Amended CCAA Plan pertaining to insurance, a Released Party found by a court of competent jurisdiction by final determination on the merits to have committed fraud or willful misconduct in relation to a Released Claim for which is it responsible at law; or

- (d) the Directors from any Claims which have been preserved in accordance with the Claims Procedure Order that cannot be comprised due to the provisions of section 5.2(2) of the CCAA. To the extent not released, the proposed Sanction Order will limit recovery for such claims against the Directors to available insurance.
41. In the Monitor's opinion, each of the Released Parties was critical to the development and negotiation of the First Amended CCAA Plan, and each party did so with the expectation of receiving the Releases.
42. The proposed Sanction Order includes the customary provisions for such an order, including paragraph 24 giving effect to the releases contained in the First Amended CCAA Plan. In addition, the proposed Sanction Order contains the following provisions at paragraph 26 and 27:

26. **THIS COURT ORDERS** that, to the extent not barred, released or otherwise affected by paragraph 12 above, and notwithstanding paragraph 25 above, any Person having, or claiming any entitlement or compensation relating to, a Director/Officer Claim (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer (an “**Excluded Director/Officer Claim**”)) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Payless Canada Entities (the “**Insurance Policies**”), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Payless Canada Entities or any Released Party, other than enforcing such Person’s rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Plan Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary herein, from and after the Implementation Date, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person

has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Payless Canada Entities.

27. **THIS COURT ORDERS** that from and after the Implementation Date, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and matters which are released pursuant to Article 8 of the Plan or discharged, compromised or terminated pursuant to the Plan, except as against the applicable insurer(s) to the extent that Persons with Director/Officer Claims seek to enforce rights to be paid from the proceeds of the Insurance Policies, and provided that any claimant in respect of a Director/Officer Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Director/Officer Claim against an insurer in respect of an Insurance Policy. Notwithstanding anything to the contrary contained herein, from and after the Implementation Date, a Person may only commence or continue an action against a Released Party in respect of a matter that is not released pursuant to Article 8.1(a)-(d) of the Plan if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Payless Canada Entities, the Monitor and the insurer(s) under any applicable Insurance Policy.

43. While the Releases do not release the Directors and Officers to the extent that any Director/Officer Claims cannot be released under the CCAA, in the Monitor's reading, paragraphs 26 and 27 of the proposed Sanction Order provide for a permanent injunction for actions in respect of Director/Officer Claims, other than Excluded Director/Officer Claims<sup>1</sup>, against any party other than the provider of the applicable insurance policies held

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<sup>1</sup> "**Excluded Director/Officer Claim**" is defined as any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer.

by the Applicants (collectively, the "**Insurance Policies**"), and limits recovery for valid Director/Officer Claims solely to the proceeds of the Insurance Policies.

44. The Monitor has reviewed all Claims received pursuant to the Claims Procedure Order, and the Monitor is not aware of any Claims that would constitute section 5.1(2) Claims.
45. Section 6 of the CCAA also contains restrictions in respect of the sanction of a plan of arrangement, which restrictions are summarized as follows:
- (a) pursuant to section 6(3) of the CCAA, a requirement that the plan provides for the payment in full of certain Crown claims within six (6) months of sanction;
  - (b) pursuant to section 6(5), a requirement that the plan provides for payment to employees and former employees, immediately after sanction, of amounts (the "**6(5) Claims**"):
    - i. that would have been payable under section 136(1)(d) of the BIA if the company had become bankrupt on the date of filing; and
    - ii. for wages, salaries, commissions or compensation for services rendered during the CCAA Proceedings;
  - (c) pursuant to section 6(6), a requirement that the plan provides for payment of certain amounts in respect of registered pension plans immediately after Court sanction unless the Court is satisfied that the relevant parties have entered into an agreement, approved by the relevant pension regulator, respecting payment of those amounts; and
  - (d) pursuant to section 6(8) of the CCAA, a restriction that no compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full.
46. Section 4.4 of the First Amended CCAA Plan provides that Crown Priority Claims will be paid in full within six (6) months after the Sanction Order, as required by section 6(3) of the CCAA.

47. Section 4.4 of the First Amended CCAA Plan also provides that Employee Priority Claims will be paid in full immediately after the Sanction Order, as required by section 6(5) of the CCAA. As at the date of this Seventh Report, there are no known Crown Priority Claims or 6(5) Claims.
48. The Payless Canada Entities do not participate in a prescribed pension plan. Accordingly, it is not necessary for the First Amended CCAA Plan to provide for the payment of amounts of the type required to be paid pursuant to section 6(6) of the CCAA.
49. Section 19(2) of the CCAA provides that certain claims may not be subject to compromise or arrangement unless the creditor holding such claim has voted for the acceptance of the compromise or arrangement.
50. As described in the Fifth Report and the Supplemental Report, the First Amended CCAA Plan only compromises certain specific claims against the Payless Canada Entities. In the Monitor's view, none of the claims against the Payless Canada Entities that would be compromised under the First Amended CCAA Plan are claims of the types described in section 19(2) of the CCAA. Furthermore, the definition of "Excluded Claim" in the Claims Procedure Order specifically included any Claims that cannot be compromised pursuant to section 19(2) of the CCAA.
51. The Monitor is not aware of any instances where the Payless Canada Entities have not substantially complied with the Orders granted by this Court during the CCAA Proceedings.

**(ii) *Actions Not Authorized by the CCAA***

52. The Monitor is not aware of any instances where the Payless Canada Entities have taken or have purported to have taken any action that is not authorized by the CCAA.

**(iii) *Fairness and Reasonableness of the Plan***

53. In *Re Canadian Airlines Corp.*, (2000), 20 C.B.R. (4th) 1, leave to appeal refused, 20 C.B.R. (4th) 46 (C.A.), the Honourable Madam Justice Paperny, then of the Alberta Court of Queen's Bench, stated that the following are relevant considerations in determining whether a plan is fair and reasonable:

- (a) the composition of the unsecured creditors' vote;
- (b) what creditors would receive on liquidation or bankruptcy as compared to the plan;
- (c) alternatives available to the plan and bankruptcy;
- (d) consideration of oppression of rights;
- (e) unfairness to stakeholders; and
- (f) public interest.

(a) *Composition of the Vote*

54. The First Amended CCAA Plan was voted on by Eligible Voting Creditors in the General Unsecured Creditors class and the Landlord Class. The classification of Affected Creditors was approved by the Meetings Order.
55. The Monitor previously considered the factors set out in section 22(2) of the CCAA with respect to classification of creditors and remains of the view that the classification of creditors as contemplated by the Meetings Order and the First Amended CCAA Plan is appropriate. As summarized earlier in this Seventh Report, the First Amended CCAA Plan was approved by the requisite majorities of each class of Affected Creditors.

(b) *Bankruptcy as Compared to the Plan*

56. As stated in the Sixth Report, and as the Monitor has previously reported on, the Term Loan Lenders have valid security over substantially all of the Payless Canada Entities' assets, and as a result, there is a lack of available alternatives to the First Amended CCAA Plan.
57. If the First Amended CCAA Plan were not to be implemented, the Term Loan Lenders would be entitled to all of the funds currently held by the Payless Canada Entities, excluding amounts for valid claims subject to the Administration Charge and the D&O Charge. There would be no funds available for a distribution to unsecured creditors. In the event of a bankruptcy, it is possible that former employees could recover under the Wage Earner Protection Program (“WEPP”), but no other unsecured creditor would receive a distribution.

58. However, as discussed in the Sixth Report, a bankruptcy for one or more of the Payless Canada Entities would require, among other things, the approval of the Court and sufficient cash to fund the bankruptcy proceeding including the professional fees of a trustee in bankruptcy. Accordingly, it is not certain that bankruptcy is even a viable alternative in the circumstances.

59. The Monitor is of the view that the stakeholders of the Payless Canada Entities, taken as whole, will derive a greater benefit under the First Amended CCAA Plan when compared to any potential alternative, including a bankruptcy.

*(c) Alternatives available to the First Amended CCAA Plan or Bankruptcy*

60. Given that the Term Loan Lenders have valid security over substantially all of the Payless Canada Entities' assets, the Monitor is of the view that the only reasonable alternative to either the implementation of the First Amended CCAA Plan or a bankruptcy is a distribution of all remaining funds to the Term Loan Lenders, with no resulting recovery for any other creditor of the Payless Canada Entities.

*(d) Oppression*

61. In the view of the Monitor, there does not appear to be any aspect of the First Amended CCAA Plan that materially prejudices or materially disregards the interests of creditors or other stakeholders such that oppression would arise from the implementation of the First Amended CCAA Plan.

*(e) Unfairness to Stakeholders*

62. As described above, the First Amended CCAA Plan received the overwhelming support of Affected Creditors that voted at the Creditors' Meetings and represents the best possible recovery for the majority of Affected Creditors.

63. In addition, the Term Loan Lenders are supportive of the First Amended CCAA Plan.

64. The Monitor is not aware of any stakeholder that would be treated unfairly if the First Amended CCAA Plan were to be implemented.

*(f) Public Interest*

65. It is the Monitor's view that there are benefits from the implementation of the First Amended CCAA Plan that are in the public interest as it provides for certain distributions to the General Unsecured Creditors and the Landlords that would otherwise not be available to them as well as enhanced recoveries for former employees who are eligible for benefits under the WEPP, as described above. Furthermore, it is the Monitor's view that there is nothing in respect of the implementation of the First Amended CCAA Plan that could be considered to be contrary to the public interest.

**I. RECEIVERSHIP ORDER AND WEPPA**

66. As discussed in the Sixth Report, the First Amended CCAA Plan contemplates the appointment of FTI as receiver (in such capacity, the "**Receiver**") pursuant to a Receivership Order in respect of Payless Canada LP over a certain limited pool of funds.
67. Should the Receivership Order be granted, \$100 of cash of Payless Canada LP and all Employee Distributions<sup>2</sup> will be directed to the Receiver instead of being distributed to the former employees.
68. As Payless Canada LP was the employer of all employees of the Payless Canada Entities, the receivership will have the effect of triggering the WEPP pursuant to the Wage Earner Protection Program Act, S.C. 2005, c.47, s.1 ("**WEPPA**"), which will result in a better recovery for all former employees of Payless Canada LP who are Affected Creditors and eligible for WEPP.
69. Former employees who would not be eligible for payments under the WEPP will not be included in the receivership process and will receive their distributions as General Unsecured Creditors.<sup>3</sup> The fees of the Receiver and its counsel in connection with administering the WEPP will be paid from the receivership property.

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<sup>2</sup> "**Employee Distributions**" means any distribution under this Plan to an employee or former employee of any of the Payless Canada Entities who is, to the best of the Monitor's knowledge, not ineligible under section 6 of WEPPA to receive a payment under WEPPA, in his or her capacity as an employee or former employee, on account of such employee or former employee's General Unsecured Claim

<sup>3</sup> Pursuant to section 6 of WEPPA, an individual is not eligible to receive a payment in respect of any wages earned during, or that otherwise relate to, a period in which the individual (a) was an officer or director of the former employer; (b) had a controlling interest within the meaning of the regulations in the business of the former



70. Should the Receivership Order not be granted, the Employee Distributions will be made directly to employees in the same manner as distributions to other General Unsecured Creditors. The granting of the Receivership Order is not a condition to implementation of the First Amended CCAA Plan.
71. The Monitor is of the view that the appointment of a Receiver is just in the circumstances. Should the Receivership Order be granted, the eligible former employees will be gain access the WEPP benefits, resulting in a greater recovery for the eligible former employees of the Payless Canada Entities. No other creditor of the Payless Canada Entities will be adversely affected by the proposed receivership.
72. The Monitor has proactively engaged in discussions with Service Canada and the WEPP, Policy and Oversight office (the "**WEPPA Office**"), in respect of the proposed administration of the WEPP. The Monitor discussed its intention to seek the appointment of the Receiver in order to have the effect of triggering WEPP.
73. In addition, the Monitor confirmed with Service Canada that:
- (a) Service Canada will recognize the CCAA Proceedings filing date of February 19, 2019 in respect of Payless Canada LP for the purpose of determining the eligibility period contemplated under subsection 2(1)(a)(ii) of WEPPA;
  - (b) notwithstanding the requirement contained in subsection 16(1)(b) of the WEPPA Regulations, the WEPPA Office and Service Canada will not require the Receiver to issue, or any former employees of Payless Canada LP to submit, a proof of claim given the Claims Procedure that was previously undertaken in the CCAA Proceedings. As an alternative to submitting a proof of claim, the Receiver will confirm in the information provided to Service Canada, with a copy being provided to the former employee in the ordinary course, that a proof of claim was received from employees on the basis of the claims process in the CCAA Proceedings. With respect to the Information Packages issued to former employees of Payless Canada

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employer; (c) occupied a managerial position within the meaning of the regulations with the former employer; or (d) was not dealing at arm's length with (i) an officer or director of the former employer, (ii) a person who had a controlling interest within the meaning of the regulations in the business of the former employer, or (iii) an individual who occupied a managerial position within the meaning of the regulations with the former employer.

LP, the Receiver would advise such former employees of the ordinary course requirements for the WEPP, including:

- i. the existence of the WEPP and the conditions under which payments may be made;
  - ii. the details of the receivership;
  - iii. the amount of eligible wages owing to each former employee;
  - iv. each former employee's eligibility under the WEPP; and
  - v. directions on how to submit a WEPP application to Service Canada, including any required documents and supplementary information; and
- (c) Service Canada and the WEPPA Office will accept the batch submission of the relevant data through an electronic encrypted file format rather than through the traditional method of inputting employee data into Service Canada's website on an employee-by-employee basis.

74. A copy of the correspondence between the Monitor and Service Canada with respect to the foregoing is attached hereto as Appendix "B".

75. The Monitor is not aware of any creditor that will be prejudiced by the receivership or the amendments contained in the First Amended CCAA Plan. The Monitor also notes that the amendments contained in the First Amended CCAA Plan were made in accordance with the provisions of the Meetings Order and the CCAA Plan.

**J. REQUEST FOR A LIMITED LIFTING OF THE STAY OF PROCEEDINGS AND AN EXTENSION OF THE STAY PERIOD**

76. As it relates to the Payless Canada Entities, the U.S. Plan contemplates:

- (a) the cancellation of certain intercompany notes, including an obligation of Payless Finance Inc. (an entity incorporated in the United States and a U.S. Debtor) in favour of PSSC in the amount of approximately US\$114 million; and

- (b) the repayment by PSS Canada, Inc. (an entity incorporated in the United States and a U.S. Debtor) to Payless Canada LP of certain post-filing intercompany loans in the amount of approximately US\$15.6 million.
77. The Monitor understands that the Intercompany Claims<sup>4</sup> are part of certain global transactions among the Debtors and their non-debtor affiliates and have implications for various U.S. Debtors and non-debtor entities. The U.S. Debtors and the Payless Canada Entities, along with the Monitor and other advisors, have carefully reviewing the proposed treatment of the various Intercompany Claims and determined the order in which the Intercompany Claims must be resolved under the U.S. Plan and the CCAA Plan.
78. The Plan Supplement contemplates that Payless Canada LP will pay the amount received from PSS Canada Inc., as repayment of the Post-Filing Intercompany Loans<sup>5</sup>, to Payless ShoeSource Distribution, Inc. ("**PSSD**") (which for greater certainty is a U.S. Debtor) in partial satisfaction of the principal amounts owing from Payless Canada LP to PSSD. Payless Canada LP will then repay to PSSD, in partial satisfaction of the principal amounts owing from Payless Canada LP to PSSD, the available cash remaining after provision for the Reserves (the "**Surplus Cash**"), which repayment is ultimately for the benefit of the Term Loan Lenders. Following the aforementioned series of transactions, PSSC will cancel the existing note (including accumulated interest thereon) payable to Collective Brands II Cooperatief UA. The Monitor is supportive of the aforementioned mechanics and the proposed resolution of the Intercompany Claims. The Monitor understands that the distribution of the Surplus Cash to the Term Loan Lenders via the repayment of an intercompany loan owing from Payless Canada LP to PSSD to be a tax efficient method of distributing the Surplus Cash.
79. In order to allow these steps to occur prior to the effectiveness of the First Amended CCAA Plan, the Payless Canada Entities are seeking a limited lifting of the stay of proceedings

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<sup>4</sup> "**Intercompany Claim**" means any Claim held by a Payless Canada Entity against another Payless Canada Entity or an affiliate of a Payless Canada Entity (including, for the avoidance of doubt, a U.S. Debtor) or any Claim held by an affiliate of a Payless Canada Entity (including, for the avoidance of doubt, a U.S. Debtor) against a Payless Canada Entity, provided however, that the Post-Filing Intercompany Loans shall not be an Intercompany Claim.

<sup>5</sup> "**Post-Filing Intercompany Loans**" means the post-petition loans from Payless ShoeSource Canada LP to Payless Finance, Inc., which loans are reflected on the books and records of the U.S. Debtors and the Payless Canada Entities and bear interest at a rate of 6%.

for the limited purpose of dealing with the Intercompany Claims as contemplated under the U.S. Plan. The Monitor supports the Payless Canada Entities' request.

80. The Stay Period currently expires on December 20, 2019. If the Sanction Order is granted, additional time may be required for the Payless Canada Entities and the Monitor to resolve outstanding Claims, to implement the First Amended CCAA Plan, and to make the distributions contemplated by the First Amended CCAA Plan. Additional time may be particularly necessary given that the distributions to the Affected Creditors are conditional on obtaining a Comfort Letter from the Canada Revenue Agency.
81. The continuation of the stay of proceedings is necessary to provide the stability needed to complete the foregoing activities. Accordingly, the Payless Canada Entities now seek an extension of the Stay Period to February 28, 2020 (the "**Fourth Stay Extension**").
82. As previously indicated in this Seventh Report, considering the current cash balance and the establishment of the Reserves should the First Amended CCAA Plan be implemented, the Payless Canada Entities are forecast to have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period as well as sufficient funding to conclude the CCAA Proceedings.
83. Based on the information currently available, the Monitor believes that the creditors of the Payless Canada Entities would not be materially prejudiced by the proposed extension of the Stay Period. The Monitor also believes that the Payless Canada Entities have acted, and continue to act, in good faith with due diligence and that the circumstances exist that make an extension of the Stay Period appropriate.
84. The Monitor therefore respectfully recommends that this Honourable Court grant the Payless Canada Entities' request for a limited lifting of the stay of proceedings for the purpose of permitting the forgiveness or cancellation in whole or in part of the Intercompany Claims set out in the U.S. Plan, and an extension of the Stay Period to February 28, 2020.

**K. CONCLUSION AND RECOMMENDATION**

85. As discussed earlier in this Seventh Report, for a plan of arrangement or compromise to be sanctioned pursuant to the CCAA, the following three tests must be met:
- (a) there has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
  - (b) nothing has been done or purported to have been done that is not authorized by the CCAA; and
  - (c) the plan is fair and reasonable.
86. The Monitor's view is that:
- (a) the First Amended CCAA Plan has been approved by the Requisite Majorities of each class of Affected Creditors;
  - (b) there has been compliance with all requirements of the CCAA and the Payless Canada Entities have adhered to the previous Orders of the Court made in the CCAA Proceedings;
  - (c) nothing has been done or purported to be done by the Payless Canada Entities that is not authorized by the CCAA; and
  - (d) the First Amended CCAA Plan is fair and reasonable.
87. The Monitor believes that the Payless Canada Entities have acted, and are continuing to act, in good faith and with diligence and that the circumstances exist that make the Fourth Stay Extension appropriate.
88. The Monitor further understands that in order to effect certain steps as it relates to the Intercompany Claims prior to the effectiveness of the First Amended CCAA Plan, a limited lifting of the stay of proceedings in respect of the Payless Canada Entities must be granted for the limited purpose of dealing with the Intercompany Claims as contemplated under the U.S. Plan.

89. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the Sanction Order, including an extension of the Stay Period to February 28, 2020 and a limited lifting of the stay of proceedings.

The Monitor respectfully submits to the Court this, its Seventh Report.

Dated this 23<sup>rd</sup> day of October 2019.

FTI Consulting Canada Inc.,

solely in its capacity as Monitor of Payless ShoeSource Canada Inc.,  
Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP,  
and not in its personal capacity



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Greg Watson  
Senior Managing Director



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Paul Bishop  
Senior Managing Director

**APPENDIX "B"**

**[ATTACHED]**

Court File No.: CV-19-00614629-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA  
GP INC.**

(the "**Applicants**")

**AFFIDAVIT OF TONI VANDERLAAN  
(sworn September 3, 2020)**

I, **TONI VANDERLAAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Managing Director with FTI Consulting Canada Inc., which was appointed as the monitor (the "**Monitor**") in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. I make this affidavit in support of a motion by the Applicants for, among other things, approval of the fees and expenses of the Monitor and its counsel.



3. Attached hereto as Exhibit "A" are true copies of the invoices prepared by the Monitor for the fees and expenses incurred by the Monitor in connection with these proceedings for the period between February 1, 2020 and August 31, 2020. The invoices have been redacted to address matters of confidentiality or privilege. I confirm that these invoices accurately reflect the services provided by the Monitor in this matter for this period and the fees and expenses claimed by it for the period.

4. Attached hereto as Exhibit "B" is a schedule listing the fees, expenses, HST and total fees charged for each invoice in Exhibit "A".

5. Attached hereto as Exhibit "C" is a schedule summarizing the billing rates and total amounts billed with respect to each representative of the Monitor that rendered services in connection with these proceedings and the blended rate for the period between February 1, 2020 and August 31, 2020.

6. To the best of my knowledge, the rates charged by the Monitor throughout the course of these proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.

7. The hours spent on this matter involved monitoring the Applicants and addressing issues related to these proceedings (as more particularly described in the Monitor's reports and the

invoices attached in Exhibit "A") and I believe that the total hours incurred by the Monitor are reasonable and appropriate in the circumstances.

8. The Monitor requests that the Court approve its invoices for the period between February 1, 2020 and August 31, 2020, for fees in the amounts of \$94,767.50, expenses of \$126.88 and HST of \$12,336.29.

**SWORN** before me over videoconference )  
on this 3<sup>rd</sup> day of September 2020. The )  
affiant was located in the City of )  
Toronto, in the Province of )  
Ontario. This Affidavit was )  
Commissioned remotely as a result of )  
COVID-19 and was commissioned in )  
Accordance with Ontario Regulation 431/20 )



\_\_\_\_\_  
A Commissioner, etc.

*Toni Vanderlaan*  
\_\_\_\_\_  
Toni Vanderlaan

**THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF TONI VANDERLAAN  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**



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**A Commissioner for taking affidavits, etc.**



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

February 20, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004051

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 16, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop'.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

February 20, 2020  
FTI Invoice No. 29004051  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 16, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$21,872.50
Expenses.....	<u>\$0.00</u>
Total Fees and Expenses.....	\$21,872.50
HST Registration No. 835718024RT0001 .....	\$2,843.43
Total Amount Due this Period.....	\$24,715.93
Previous Balance Due.....	<u>\$22,244.62</u>
<b>Total Amount Due.....</b>	<b><u>\$46,960.55</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

February 20, 2020  
FTI Invoice No. 29004051  
FTI Job No. 466952.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 16, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Paul Bishop	Senior Managing Director	\$1,020.00	1.7	\$1,734.00
Toni Vanderlaan	Senior Managing Director	\$955.00	1.9	\$1,814.50
James Robinson	Managing Director	\$835.00	13.7	\$11,439.50
Michael Basso	Senior Director	\$745.00	0.7	\$521.50
Elizabeth Pearson	Senior Consultant	\$490.00	7.7	\$3,773.00
Dilawar Azhar	Senior Consultant	\$490.00	0.2	\$98.00
Tyler Rivas-Perri	Senior Consultant	\$490.00	5.0	\$2,450.00
Kathleen Foster	Administrative Professional	\$140.00	0.3	\$42.00
<b>Total Hours and Fees</b>			<b>31.2</b>	<b>\$21,872.50</b>

**HST Registration No. 835718024RT0001**

**\$2,843.43**

**Invoice Total for Current Period**

**\$24,715.93**

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	1.70	1,020	1,734.00
Toni Vanderlaan	1.90	955	1,814.50
James Robinson	13.70	835	11,439.50
Michael Basso	0.70	745	521.50
Tyler Rivas-Perri	5.00	490	2,450.00
Dilawar Azhar	0.20	490	98.00
Elizabeth Pearson	7.70	490	3,773.00
Kathleen Foster	0.30	140	42.00
<b>Total Hours and Fees</b>	<b>31.20</b>		<b>\$ 21,872.50</b>
Total Expenses			-
<b>Total Fees and Expenses</b>			<b>21,872.50</b>
13% HST #835718024RT0001			2,843.43
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 24,715.93</b>

**Payless Holdings - CCAA**  
**466952.0002 - February 16, 2020**

Date	TK#	Name	Hours	Amount	Narrative
02/11/20	27555	Dilawar Azhar	0.10	\$ 49.00	Website updates.
02/14/20	27555	Dilawar Azhar	0.10	\$ 49.00	Website updates.
02/07/20	20840	Elizabeth Pearson	1.50	\$ 735.00	Review of claims database, updates re same
02/03/20	20840	Elizabeth Pearson	0.60	\$ 294.00	Discussion with team re [REDACTED]; review of claims register
02/09/20	20840	Elizabeth Pearson	4.50	\$ 2,205.00	Detailed review of all claims in claims register to confirm amounts, name & addresses in advance of distribution
02/10/20	20840	Elizabeth Pearson	1.10	\$ 539.00	Final review of claims register; review of previous distribution cover letter for prep of similar for Payless distribution
02/03/20	23261	James Robinson	2.60	\$ 2,171.00	Call with [REDACTED] regarding distribution schedule and final claims register; update resolved claims; develop distribution schedule.
02/05/20	23261	James Robinson	1.30	\$ 1,085.50	Call with [REDACTED] regarding claims process and stay extension planning; monitors report planning; claims register review and correspondence; resolution of certain claims
02/12/20	23261	James Robinson	2.30	\$ 1,920.50	Address employee matters; review updated version of 8th Report; review FTI comments received from PB and TV; calls/discussions/correspondence with BJ/CBB regarding Eighth Report and pending matters;
02/13/20	23261	James Robinson	2.30	\$ 1,920.50	Edit report for further comments received; review CBB comments received and correspond with CBB regarding same; final review of report, tie out of numbers, and finalize;
02/11/20	23261	James Robinson	5.20	\$ 4,342.00	Draft Eighth Report financial sections, compile tables and exhibits, review Eighth report draft received from BJ; further review and editing of report; banking; call ADP regarding [REDACTED] and coordination with CBB regarding same;
02/11/20	24354	Kathleen Foster	0.30	\$ 42.00	Website updates performed for FTI Case Sites for Payless. Requested by email by Michael Basso and Dilawar Azhar.
02/05/20	23240	Michael Basso	0.50	\$ 372.50	Meeting with J. Robinson and correspondence re: Landlord claims.Meeting and correspondence with L. Pearson re: Payless distribution and landlord claims.
02/11/20	23240	Michael Basso	0.20	\$ 149.00	Website update.
02/13/20	14800	Paul Bishop	1.70	\$ 1,734.00	Review and execute fee affidavit, review report
02/12/20	15236	Toni Vanderlaan	0.50	\$ 477.50	Review and comments on Monitors report
02/13/20	15236	Toni Vanderlaan	0.20	\$ 191.00	Edits to Monitor report
02/10/20	15236	Toni Vanderlaan	1.20	\$ 1,146.00	Review of court materials and update discussion.
02/12/20	15236	Toni Vanderlaan	1.10	\$ 1,050.50	IWIRC board meeting
02/12/20	15236	Toni Vanderlaan	-1.10	\$ (1,050.50)	Time reversal
02/07/20	30322	Tyler Rivas-Perri	5.00	\$ 2,450.00	Cross checked claimant names, address and final claim amount per claims register workbook to the claim statements
<b>GRAND TOTAL</b>			<b>31.20</b>	<b>\$ 21,872.50</b>	





FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

February 29, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004069

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 29, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

February 29, 2020  
FTI Invoice No. 29004069  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 29, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$3,193.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$3,193.50
HST Registration No. 835718024RT0001 .....	\$415.16
Total Amount Due this Period.....	\$3,608.66
Previous Balance Due.....	\$46,960.55
<b>Total Amount Due.....</b>	<b><u>\$50,569.21</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

February 29, 2020  
 FTI Invoice No. 29004069  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through February 29, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Gregory Watson	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
Toni Vanderlaan	Senior Managing Director	\$955.00	0.7	\$668.50
James Robinson	Managing Director	\$835.00	1.4	\$1,169.00
Elizabeth Pearson	Senior Consultant	\$490.00	0.5	\$245.00
Dilawar Azhar	Senior Consultant	\$490.00	0.1	\$49.00
Kathleen Foster	Administrative Professional	\$140.00	0.3	\$42.00
<b>Total Hours and Fees</b>			<b>4.0</b>	<b>\$3,193.50</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$415.16</b>
<b>Invoice Total for Current Period</b>				<b>\$3,608.66</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Gregory Watson	1.00	\$ 1,020	\$ 1,020.00
Toni Vanderlaan	0.70	955	668.50
James Robinson	1.40	835	1,169.00
Dilawar Azhar	0.10	490	49.00
Elizabeth Pearson	0.50	490	245.00
Kathleen Foster	0.30	140	42.00
Total Hours and Fees	4.00		\$ 3,193.50
Total Expenses			-
<b>Total Fees and Expenses</b>			3,193.50
13% HST #835718024RT0001			415.16
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 3,608.66</b>

**Payless Holdings - CCAA**  
**466952.0002 - February 29, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
02/21/20	27555	Dilawar Azhar	0.10	\$ 49.00	Website updates.
02/27/20	20840	Elizabeth Pearson	0.50	\$ 245.00	Responding to creditor inquiries
02/21/20	14798	Gregory Watson	1.00	\$ 1,020.00	Correspondence.
02/21/20	23261	James Robinson	0.80	\$ 668.00	Prepare for and attend stay extension hearing
02/18/20	23261	James Robinson	0.60	\$ 501.00	Call with BJ regarding [REDACTED]; correspond with CBB regarding claims.
02/21/20	24354	Kathleen Foster	0.30	\$ 42.00	Website updates performed for FTI Case Sites for Payless. Requested by email by Dilawar Azhar.
02/18/20	15236	Toni Vanderlaan	0.70	\$ 668.50	Payless admin matters and wind down planning call
<b>GRAND TOTAL</b>			<b>4.00</b>	<b>\$ 3,193.50</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

March 17, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004086

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 15, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

March 17, 2020  
FTI Invoice No. 29004086  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 15, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$7,463.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$7,463.00
HST Registration No. 835718024RT0001 .....	\$970.19
Total Amount Due this Period.....	\$8,433.19
<b>Total Amount Due.....</b>	<b><u>\$8,433.19</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## *Invoice Summary*

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

March 17, 2020  
 FTI Invoice No. 29004086  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through March 15, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
James Robinson	Managing Director	\$835.00	8.6	\$7,181.00
Ellen Dong	Director	\$705.00	0.4	\$282.00
<b>Total Hours and Fees</b>			<b>9.0</b>	<b>\$7,463.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$970.19</b>
<b>Invoice Total for Current Period</b>				<b>\$8,433.19</b>



**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
James Robinson	8.60	835	7,181.00
Ellen Dong	0.40	705	282.00
Total Hours and Fees	9.00		\$ 7,463.00
Total Expenses			-
<b>Total Fees and Expenses</b>			7,463.00
13% HST #835718024RT0001			970.19
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 8,433.19</b>

**Payless Holdings - CCAA**  
**466952.0002 - March 15, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
03/03/20	17571	Ellen Dong	0.40	\$ 282.00	Dropbox download onto shared drive and correspondence re: same.
03/06/20	23261	James Robinson	1.10	\$ 918.50	Wire processing, reviews and approvals; ADP information for [REDACTED];
03/05/20	23261	James Robinson	1.80	\$ 1,503.00	[REDACTED] including requisite approvals; ADP calls regarding information requests;
03/04/20	23261	James Robinson	2.10	\$ 1,753.50	Calls with ADP regarding information required for [REDACTED] reporting;
03/11/20	23261	James Robinson	1.20	\$ 1,002.00	Call with LP regarding [REDACTED]; review distribution schedule and provide further comments.
03/10/20	23261	James Robinson	2.40	\$ 2,004.00	Review of preliminary distribution schedule and calculations; email/call with LP regarding same.
<b>GRAND TOTAL</b>			<b>9.00</b>	<b>\$ 7,463.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

March 31, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004108

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 31, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop'.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

March 31, 2020  
FTI Invoice No. 29004108  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 31, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$24,433.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$24,433.00
HST Registration No. 835718024RT0001 .....	\$3,176.29
Total Amount Due this Period.....	\$27,609.29
Previous Balance Due.....	\$8,433.19
<b>Total Amount Due.....</b>	<b><u>\$36,042.48</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

March 31, 2020  
 FTI Invoice No. 29004108  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through March 31, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Toni Vanderlaan	Senior Managing Director	\$955.00	0.8	\$764.00
James Robinson	Managing Director	\$835.00	6.6	\$5,511.00
Elizabeth Pearson	Senior Consultant	\$490.00	34.2	\$16,758.00
Kathleen Foster	Administrative Professional	\$140.00	10.0	\$1,400.00
<b>Total Hours and Fees</b>			<b>51.6</b>	<b>\$24,433.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$3,176.29</b>
<b>Invoice Total for Current Period</b>				<b>\$27,609.29</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Toni Vanderlaan	0.80	955	764.00
James Robinson	6.60	835	5,511.00
Elizabeth Pearson	34.20	490	16,758.00
Kathleen Foster	10.00	140	1,400.00
<b>Total Hours and Fees</b>	<b>51.60</b>		<b>\$ 24,433.00</b>
Total Expenses			-
<b>Total Fees and Expenses</b>			<b>24,433.00</b>
13% HST #835718024RT0001			3,176.29
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 27,609.29</b>

**Payless Holdings - CCAA**  
**466952.0002 - March 31, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
03/10/20	20840	Elizabeth Pearson	0.40	\$ 196.00	Working with team to perform final review of claims register
03/11/20	20840	Elizabeth Pearson	0.50	\$ 245.00	Review of certain remaining [REDACTED]
03/09/20	20840	Elizabeth Pearson	0.70	\$ 343.00	Update of distribution file and correspondence with team re same; responding to items on the hotline
03/12/20	20840	Elizabeth Pearson	0.30	\$ 147.00	Update of letters to accompany distribution
03/26/20	20840	Elizabeth Pearson	5.40	\$ 2,646.00	Distribution: printing, copying, stuffing and mailing of cheques and cover letters to landlords and unsecured creditors
03/25/20	20840	Elizabeth Pearson	6.50	\$ 3,185.00	Distribution: printing, copying, stuffing and mailing of cheques and cover letters to landlords and unsecured creditors
03/24/20	20840	Elizabeth Pearson	9.30	\$ 4,557.00	Distribution: printing, copying, stuffing and mailing of cheques and cover letters to landlords and unsecured creditors
03/20/20	20840	Elizabeth Pearson	3.20	\$ 1,568.00	Preparation for final distribution; update of [REDACTED] schedule; correspondence with team re same
03/19/20	20840	Elizabeth Pearson	2.90	\$ 1,421.00	Update of claims register and preparation for distributions; correspondence with OSB and [REDACTED]
03/16/20	20840	Elizabeth Pearson	0.90	\$ 441.00	Finalisation of distribution schedules
03/17/20	20840	Elizabeth Pearson	4.10	\$ 2,009.00	Working with admin staff to prepare for distribution (cheque preparation, accounting software prep etc)
03/18/20	23261	James Robinson	1.20	\$ 1,002.00	Further review of distribution schedule and required edits;
03/20/20	23261	James Robinson	2.10	\$ 1,753.50	Execute Receiver certificate; finalize distribution schedule; update call with team regarding same; correspond with BJ and CBB regarding same;
03/24/20	23261	James Robinson	3.30	\$ 2,755.50	Plan distributions coordination and review; correspond with LP regarding same; finalization of letters and distributions workbook;
03/23/20	24354	Kathleen Foster	1.00	\$ 140.00	Website updates performed for FTI Case Sites for Payless. Requested by email by Lizzy Pearson and Jim Robinson.
03/24/20	24354	Kathleen Foster	9.00	\$ 1,260.00	Mass cheque printing and mailing distribution, required overtime, for Payless. Requested by Lizzy Pearson and Jim Robinson.
03/19/20	15236	Toni Vanderlaan	0.80	\$ 764.00	Distribution schedule Planning and WEPPA
<b>GRAND TOTAL</b>			<b>51.60</b>	<b>\$ 24,433.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

April 22, 2020

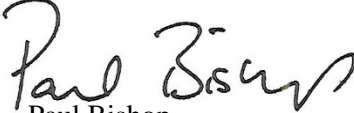
Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004140

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through April 19, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

  
Paul Bishop  
Senior Managing Director

Enclosures





## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

April 22, 2020  
FTI Invoice No. 29004140  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through April 19, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$1,840.50
Expenses.....	\$97.26
Total Fees and Expenses.....	\$1,937.76
HST Registration No. 835718024RT0001 .....	\$251.91
Total Amount Due this Period.....	\$2,189.67
<b>Total Amount Due.....</b>	<b><u>\$2,189.67</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

April 22, 2020  
 FTI Invoice No. 29004140  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through April 19, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
James Robinson	Managing Director	\$835.00	1.5	\$1,252.50
Elizabeth Pearson	Senior Consultant	\$490.00	1.2	\$588.00
<b>Total Hours and Fees</b>			<b>2.7</b>	<b>\$1,840.50</b>
Telephone				\$97.26
<b>Total Expenses</b>				<b>\$97.26</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$251.91</b>
<b>Invoice Total for Current Period</b>				<b>\$2,189.67</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
James Robinson	1.50	835	1,252.50
Elizabeth Pearson	1.20	490	588.00
Total Hours and Fees	2.70		\$ 1,840.50
Total Expenses			97.26
<b>Total Fees and Expenses</b>			1,937.76
13% HST #835718024RT0001			251.91
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 2,189.67</b>





FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

April 30, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004162

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through April 30, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

April 30, 2020  
FTI Invoice No. 29004162  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through April 30, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$1,252.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$1,252.50
HST Registration No. 835718024RT0001 .....	\$162.83
Total Amount Due this Period.....	\$1,415.33
Applying Retainer .....	(\$1,415.33)
<b>Total Amount Due.....</b>	<b>\$0.00</b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

April 30, 2020  
 FTI Invoice No. 29004162  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through April 30, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
James Robinson	Managing Director	\$835.00	1.5	\$1,252.50
<b>Total Hours and Fees</b>			<b>1.5</b>	<b>\$1,252.50</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$162.83</b>
Applying Retainer .....				(\$1,415.33)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<u>Professional</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Amount</u>
James Robinson	1.50	835	1,252.50
Total Hours and Fees	1.50		\$ 1,252.50
Total Expenses			-
<b>Total Fees and Expenses</b>			1,252.50
13% HST #835718024RT0001			162.83
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 1,415.33</b>



**Payless Holdings - CCAA**  
**466952.0002 - April 30, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
04/22/20	23261	James Robinson	0.40	\$ 334.00	Review questions [REDACTED]
04/30/20	23261	James Robinson	1.10	\$ 918.50	Run reports from ADP for employee information requests from Service Canada and correspond with CBB regarding same;
<b>GRAND TOTAL</b>			<b>1.50</b>	<b>\$ 1,252.50</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

May 20, 2020

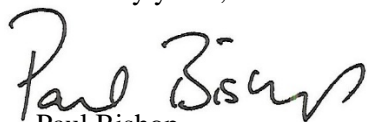
Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004193

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through May 17, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

  
Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

May 20, 2020  
FTI Invoice No. 29004193  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through May 17, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$3,794.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$3,794.00
HST Registration No. 835718024RT0001 .....	\$493.22
Total Amount Due this Period.....	\$4,287.22
Applying Retainer .....	(\$4,287.22)
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

May 20, 2020  
 FTI Invoice No. 29004193  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through May 17, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Paul Bishop	Senior Managing Director	\$1,020.00	1.1	\$1,122.00
James Robinson	Managing Director	\$835.00	3.2	\$2,672.00
<b>Total Hours and Fees</b>			<b>4.3</b>	<b>\$3,794.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$493.22</b>
Applying Retainer .....				(\$4,287.22)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	1.10	1,020	1,122.00
James Robinson	3.20	835	2,672.00
Total Hours and Fees	4.30		\$ 3,794.00
Total Expenses			-
<b>Total Fees and Expenses</b>			3,794.00
13% HST #835718024RT0001			493.22
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 4,287.22</b>

**Payless Holdings - CCAA**  
**466952.0002 - May 17, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
05/05/20	23261	James Robinson	1.90	\$ 1,586.50	Employee [REDACTED]; correspond with CBB regarding same; [REDACTED]; provide update on reserve status to Company; review invoices received and coordinate payments
05/11/20	23261	James Robinson	1.10	\$ 918.50	Compile employee data for CBB; review [REDACTED] and respond to email from L. Gallessiere regarding cheque distributions; call with CBB regarding pending items;
05/12/20	23261	James Robinson	0.20	\$ 167.00	E&Y [REDACTED], and correspond regarding same;
05/05/20	14800	Paul Bishop	0.70	\$ 714.00	Review of correspondence, status update
05/15/20	14800	Paul Bishop	0.40	\$ 408.00	Review of correspondence
<b>GRAND TOTAL</b>			<b>4.30</b>	<b>\$ 3,794.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

May 31, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004211

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through May 31, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop'.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

May 31, 2020  
FTI Invoice No. 29004211  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through May 31, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$1,367.00
Expenses.....	<u>\$29.62</u>
Total Fees and Expenses.....	\$1,396.62
HST Registration No. 835718024RT0001 .....	\$181.56
Total Amount Due this Period.....	\$1,578.18
Applying Retainer .....	<u>(\$1,578.18)</u>
<b>Total Amount Due.....</b>	<b><u><u>\$0.00</u></u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**





## Invoice Summary

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

May 31, 2020  
FTI Invoice No. 29004211  
FTI Job No. 466952.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through May 31, 2020

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,020.00	1.1	\$1,122.00
Elizabeth Pearson	Senior Consultant	\$490.00	0.5	\$245.00
<b>Total Hours and Fees</b>			<b>1.6</b>	<b>\$1,367.00</b>
Other/Miscellaneous				\$29.62
<b>Total Expenses</b>				<b>\$29.62</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$181.56</b>
Applying Retainer .....				(\$1,578.18)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	1.10	1,020	1,122.00
Elizabeth Pearson	0.50	490	245.00
Total Hours and Fees	1.60		\$ 1,367.00
Total Expenses			29.62
<b>Total Fees and Expenses</b>			1,396.62
13% HST #835718024RT0001			181.56
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 1,578.18</b>

**Payless Holdings - CCAA**  
**466952.0002 - May 31, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
05/19/20	20840	Elizabeth Pearson	0.50	\$ 245.00	Cancellation of outstanding cheques; correspondence with team re same
05/19/20	14800	Paul Bishop	0.70	\$ 714.00	Status review
05/27/20	14800	Paul Bishop	0.40	\$ 408.00	Review of correspondence
<b>GRAND TOTAL</b>			<b>1.60</b>	<b>\$ 1,367.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

June 30, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004273

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through June 30, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop'.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

June 30, 2020  
FTI Invoice No. 29004273  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$4,416.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$4,416.00
HST Registration No. 835718024RT0001 .....	\$574.08
Applying Retainer .....	(\$4,990.08)
Total Amount Due this Period.....	\$0.00
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

June 30, 2020  
 FTI Invoice No. 29004273  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Gregory Watson	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
Paul Bishop	Senior Managing Director	\$1,020.00	0.6	\$612.00
James Robinson	Managing Director	\$835.00	0.4	\$334.00
Tyler Rivas-Perri	Senior Consultant	\$490.00	5.0	\$2,450.00
<b>Total Hours and Fees</b>			<b>7.0</b>	<b>\$4,416.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$574.08</b>
Applying Retainer .....				(\$4,990.08)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Gregory Watson	1.00	\$ 1,020	\$ 1,020.00
Paul Bishop	0.60	1,020	612.00
James Robinson	0.40	835	334.00
Tyler Rivas-Perri	5.00	490	2,450.00
<b>Total Hours and Fees</b>	<b>7.00</b>		<b>\$ 4,416.00</b>
Total Expenses			-
<b>Total Fees and Expenses</b>			<b>4,416.00</b>
13% HST #835718024RT0001			574.08
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 4,990.08</b>

**Payless Holdings - CCAA**  
**466952.0002 - June 30, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
06/17/20	14798	Gregory Watson	1.00	\$ 1,020.00	General matters.
06/18/20	23261	James Robinson	0.40	\$ 334.00	Call with CBB regarding [REDACTED] to be completed by the company.
06/29/20	14800	Paul Bishop	0.60	\$ 612.00	Status update and review of correspondence
06/17/20	30322	Tyler Rivas-Perri	5.00	\$ 2,450.00	Replying and clearing [REDACTED].
<b>GRAND TOTAL</b>			<b>7.00</b>	<b>\$ 4,416.00</b>	





FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

July 23, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004309

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through July 19, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

July 23, 2020  
FTI Invoice No. 29004309  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 19, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$3,543.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$3,543.00
HST Registration No. 835718024RT0001 .....	\$460.59
Total Amount Due this Period.....	\$4,003.59
Applying Retainer .....	(\$4,003.59)
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

July 23, 2020  
 FTI Invoice No. 29004309  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through July 19, 2020

Name	Title	Rate	Hours	Total
Gregory Watson	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
Paul Bishop	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
James Robinson	Managing Director	\$835.00	1.8	\$1,503.00
<b>Total Hours and Fees</b>			<b>3.8</b>	<b>\$3,543.00</b>

**HST Registration No. 835718024RT0001** **\$460.59**

**Invoice Total for Current Period** **\$4,003.59**

Applying Retainer ..... (\$4,003.59)

**Invoice Total for Current Period** **\$0.00**

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Gregory Watson	1.00	\$ 1,020	\$ 1,020.00
Paul Bishop	1.00	1,020	1,020.00
James Robinson	1.80	835	1,503.00
Total Hours and Fees	3.80		\$ 3,543.00
Total Expenses			-
<b>Total Fees and Expenses</b>			3,543.00
13% HST #835718024RT0001			460.59
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 4,003.59</b>

**Payless Holdings - CCAA**  
**466952.0002 - July 19, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
07/17/20	14798	Gregory Watson	1.00	\$ 1,020.00	General matters. Call with N. Levine regarding [REDACTED]
07/02/20	23261	James Robinson	1.00	\$ 835.00	[REDACTED]
07/15/20	23261	James Robinson	0.80	\$ 668.00	Review inquiry received and research supporting information, and respond to stakeholder inquiry;
07/08/20	14800	Paul Bishop	0.60	\$ 612.00	Review of correspondence
07/06/20	14800	Paul Bishop	0.40	\$ 408.00	Review of status
<b>GRAND TOTAL</b>			<b>3.80</b>	<b>\$ 3,543.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

July 31, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004323

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through July 31, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

July 31, 2020  
FTI Invoice No. 29004323  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 31, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$1,484.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$1,484.00
HST Registration No. 835718024RT0001 .....	\$192.92
Total Amount Due this Period.....	\$1,676.92
Applying Retainer .....	(\$1,676.92)
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

July 31, 2020  
 FTI Invoice No. 29004323  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through July 31, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Paul Bishop	Senior Managing Director	\$1,020.00	0.8	\$816.00
James Robinson	Managing Director	\$835.00	0.8	\$668.00
<b>Total Hours and Fees</b>			<b>1.6</b>	<b>\$1,484.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$192.92</b>
<b>Total Amount Due this Period</b>				<b>\$1,676.92</b>
Applying Retainer .....				(\$1,676.92)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>



**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	0.80	1,020	816.00
James Robinson	0.80	835	668.00
Total Hours and Fees	1.60		\$ 1,484.00
Total Expenses			-
<b>Total Fees and Expenses</b>			1,484.00
13% HST #835718024RT0001			192.92
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 1,676.92</b>

**Payless Holdings - CCAA**  
**466952.0002 - July 31, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
07/28/20	23261	James Robinson	0.80	\$ 668.00	Attend Payless status call; [REDACTED] from CBB
07/21/20	14800	Paul Bishop	0.80	\$ 816.00	Review of correspondence and court filings
<b>GRAND TOTAL</b>			<b>1.60</b>	<b>\$ 1,484.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

August 18, 2020

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004366

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through August 16, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in black ink that reads 'Paul Bishop' in a cursive, flowing script.

Paul Bishop  
Senior Managing Director

Enclosures



## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

August 18, 2020  
FTI Invoice No. 29004366  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 16, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$4,492.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$4,492.00
HST Registration No. 835718024RT0001 .....	\$583.96
Total Amount Due this Period.....	\$5,075.96
Applying retainer.....	(\$5,075.96)
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

August 18, 2020  
 FTI Invoice No. 29004366  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through August 16, 2020

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
Toni Vanderlaan	Senior Managing Director	\$955.00	1.1	\$1,050.50
James Robinson	Managing Director	\$835.00	2.9	\$2,421.50
<b>Total Hours and Fees</b>			<b>5.0</b>	<b>\$4,492.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$583.96</b>
<b>Total Amount Due this Period</b>				<b>\$5,075.96</b>
Applying retainer .....				(\$5,075.96)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	1.00	1,020	1,020.00
Toni Vanderlaan	1.10	955	1,050.50
James Robinson	2.90	835	2,421.50
Total Hours and Fees	5.00		\$ 4,492.00
Total Expenses			-
<b>Total Fees and Expenses</b>			4,492.00
13% HST #835718024RT0001			583.96
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 5,075.96</b>

**Payless Holdings - CCAA**  
**466952.0002 - August 16, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
08/04/20	23261	James Robinson	0.50	\$ 417.50	Review emails received, and review/coordination of payments;
08/05/20	23261	James Robinson	1.40	\$ 1,169.00	Review draft 2020 returns received from company, and correspondence regarding same; provide [REDACTED]
08/13/20	23261	James Robinson	1.00	\$ 835.00	Prepare for and attend Payless planning call with CBB and BJ; employee [REDACTED]
08/10/20	14800	Paul Bishop	0.50	\$ 510.00	Status review
08/12/20	14800	Paul Bishop	0.50	\$ 510.00	Calls with SOB [REDACTED]
08/12/20	15236	Toni Vanderlaan	0.50	\$ 477.50	Update call and discussions of current [REDACTED]
08/13/20	15236	Toni Vanderlaan	0.60	\$ 573.00	Call with Cassels to discuss next court hearing and relief to be requested
<b>GRAND TOTAL</b>			<b>5.00</b>	<b>\$ 4,492.00</b>	



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

August 31, 2020

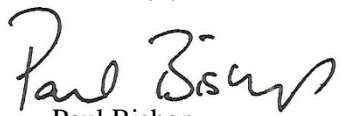
Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

Re: FTI Job No. 466952.0002  
Invoice # 29004380

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through August 31, 2020.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

  
Paul Bishop  
Senior Managing Director

Enclosures





## Invoice Remittance

Payless ShoeSource Canada Inc.  
3231 SE 6th Avenue  
Topeka, KS 66607

August 31, 2020  
FTI Invoice No. 29004380  
FTI Job No. 466952.0002  
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 31, 2020

	<i>CAD (\$)</i>
Professional Services.....	\$15,616.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$15,616.50
HST Registration No. 835718024RT0001 .....	\$2,030.15
Total Amount Due this Period.....	\$17,646.65
Applying Retainer .....	(\$17,646.65)
<b>Total Amount Due.....</b>	<b><u>\$0.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Payless ShoeSource Canada Inc.  
 3231 SE 6th Avenue  
 Topeka, KS 66607

August 31, 2020  
 FTI Invoice No. 29004380  
 FTI Job No. 466952.0002  
 Terms Payment on Presentation

Current Invoice Period: Charges Posted through August 31, 2020

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Toni Vanderlaan	Senior Managing Director	\$955.00	2.8	\$2,674.00
James Robinson	Managing Director	\$835.00	15.5	\$12,942.50
<b>Total Hours and Fees</b>			<b>18.3</b>	<b>\$15,616.50</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$2,030.15</b>
Applying Retainer .....				(\$17,646.65)
<b>Invoice Total for Current Period</b>				<b>\$0.00</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29003063**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Toni Vanderlaan	2.80	955	2,674.00
James Robinson	15.50	835	12,942.50
Total Hours and Fees	18.30		\$ 15,616.50
Total Expenses			-
<b>Total Fees and Expenses</b>			15,616.50
13% HST #835718024RT0001			2,030.15
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 17,646.65</b>

**Payless Holdings - CCAA**  
**466952.0002 - August 31, 2020**

<b>Date</b>	<b>TK#</b>	<b>Name</b>	<b>Hours</b>	<b>Amount</b>	<b>Narrative</b>
08/18/20	23261	James Robinson	0.60	\$ 501.00	Call with company regarding ██████████; respond to inquiries from CBB
08/24/20	23261	James Robinson	1.20	\$ 1,002.00	Review draft order and affidavit and provide comments regarding same
08/26/20	23261	James Robinson	2.40	\$ 2,004.00	Call with TV regarding comments and ██████████; correspondence with BJ and CBB regarding same; review of reserves and proposed ██████████; review of iron mountain records listing
08/27/20	23261	James Robinson	1.40	\$ 1,169.00	Call with Sean Zweig regarding comments on draft materials; call with Natalie Levine regarding comments, draft materials, and post-filing amounts to be paid; review of correspondence received regarding same
08/25/20	23261	James Robinson	3.00	\$ 2,505.00	Review draft affidavit and order and provide comments regarding same; review of information in relation to edits proposed; outline for next monitor's report;
08/28/20	23261	James Robinson	2.40	\$ 2,004.00	Multiple calls with stakeholders regarding possible post filing amounts owing; respond to CBB information requests and multiple emails regarding same and search for relevant information.
08/31/20	23261	James Robinson	4.50	\$ 3,757.50	Drafting and review of the Ninth Report, including tables and related analysis; review of post-filing payments and draft correspondence regarding same;
08/26/20	15236	Toni Vanderlaan	1.60	\$ 1,528.00	Review of materials Update callEmails
08/31/20	15236	Toni Vanderlaan	1.20	\$ 1,146.00	Review of ninth report
<b>GRAND TOTAL</b>			<b>18.30</b>	<b>\$ 15,616.50</b>	

**THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF TONI VANDERLAAN  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**



---

**A Commissioner for taking affidavits, etc.**

**Exhibit "B"**

<b>Invoice #</b>	<b>Period Ending</b>	<b>Date of Account</b>	<b>Fees</b>	<b>Expenses</b>	<b>HST</b>	<b>Total</b>
29004051	16-Feb-20	20-Feb-20	\$ 21,872.50	\$ -	\$ 2,843.43	\$ 24,715.93
29004069	29-Feb-20	29-Feb-20	\$ 3,193.50	\$ -	\$ 415.16	\$ 3,608.66
29004086	15-Mar-20	17-Mar-20	\$ 7,463.00	\$ -	\$ 970.19	\$ 8,433.19
29004108	31-Mar-20	31-Mar-20	\$ 24,433.00	\$ -	\$ 3,176.29	\$ 27,609.29
29004140	19-Apr-20	22-Apr-20	\$ 1,840.50	\$ 97.26	\$ 251.91	\$ 2,189.67
29004162	30-Apr-20	30-Apr-20	\$ 1,252.50	\$ -	\$ 162.83	\$ 1,415.33
29004193	17-May-20	20-May-20	\$ 3,794.00	\$ -	\$ 493.22	\$ 4,287.22
29004211	31-May-20	31-May-20	\$ 1,367.00	\$ 29.62	\$ 181.56	\$ 1,578.18
29004273	30-Jun-20	30-Jun-20	\$ 4,416.00	\$ -	\$ 574.08	\$ 4,990.08
29004309	19-Jul-20	23-Jul-20	\$ 3,543.00	\$ -	\$ 460.59	\$ 4,003.59
29004323	31-Jul-20	31-Jul-20	\$ 1,484.00	\$ -	\$ 192.92	\$ 1,676.92
29004366	16-Aug-20	18-Aug-20	\$ 4,492.00	\$ -	\$ 583.96	\$ 5,075.96
29004380	31-Aug-20	31-Aug-20	\$ 15,616.50	\$ -	\$ 2,030.15	\$ 17,646.65
<b>TOTAL</b>			<b>\$ 94,767.50</b>	<b>\$ 126.88</b>	<b>\$ 12,336.29</b>	<b>\$ 107,230.67</b>

**THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF TONI VANDERLAAN  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**

A handwritten signature in blue ink, appearing to be "J. R.", is written above a horizontal line.

---

**A Commissioner for taking affidavits, etc.**

**Exhibit "C"**

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Fees</b>
Paul Bishop	Senior Managing Director	\$ 1,020.00	7.3	\$ 7,446.00
Gregory Watson	Senior Managing Director	\$ 1,020.00	3	\$ 3,060.00
Toni Vanderlaan	Senior Managing Director	\$ 955.00	7.3	\$ 6,971.50
Jim Robinson	Managing Director	\$ 835.00	57.9	\$ 48,346.50
Michael Basso	Senior Director	\$ 745.00	0.7	\$ 521.50
Ellen Dong	Director	\$ 705.00	0.4	\$ 282.00
Elizabeth Pearson	Senior Consultant	\$ 490.00	44.1	\$ 21,609.00
Dilawar Azhar	Senior Consultant	\$ 490.00	0.3	\$ 147.00
Tyler Rivas-Perri	Senior Consultant	\$ 490.00	10	\$ 4,900.00
Kathleen Foster	Administrative Professional	\$ 140.00	10.6	\$ 1,484.00
<b>TOTAL</b>			<b>141.6</b>	<b>\$ 94,767.50</b>

<b>Blended Rate</b> (excluding expenses and HST) <b>\$94,767.50 ÷ 141.6 hours =</b>	<b>\$669.26</b>
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PAYLESS SHOESOURCE CANADA INC. AND  
PAYLESS SHOESOURCE CANADA GP INC.**

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF TONI VANDERLAAN**

**BENNETT JONES LLP**  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

**Sean H. Zweig** (LSO #57307I)  
**Michael Shakra** (LSO # 64604K)  
**Aiden Nelms** (LSO# 74170S)

Tel: (416) 863-1200  
Fax: (416) 863-1716

Counsel to the Monitor,  
FTI Consulting Canada Inc.

**APPENDIX "C"**

**[ATTACHED]**

Court File No.: CV-19-00614629-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA  
GP INC.**

(the "Applicants")

**AFFIDAVIT OF SEAN H. ZWEIG  
(sworn September 3, 2020)**

I, **SEAN H. ZWEIG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and am a partner with Bennett Jones LLP ("**Bennett Jones**"), counsel for FTI Consulting Canada Inc. in its capacity as Court-appointed monitor (the "**Monitor**") in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. I make this affidavit in support of a motion by the Applicants for, among other things, approval of the fees and disbursements of the Monitor and its counsel.

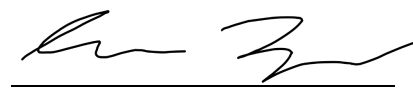
3. Attached hereto as Exhibit "A" are true copies of the accounts rendered by Bennett Jones to the Monitor for the period between January 22, 2020 and August 31, 2020. The accounts have been redacted to address matters of confidentiality or privilege. I confirm that these accounts accurately reflect the services provided by Bennett Jones in this matter for this period and the fees and disbursements claimed by it for the period.


4. Attached hereto as Exhibit "B" is a schedule summarizing the accounts of Bennett Jones rendered to the Monitor for the fees and disbursements incurred by Bennett Jones in connection with these proceedings for the period between January 22, 2020 and August 31, 2020.

5. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the professionals at Bennett Jones that rendered services to the Monitor, the hours worked by each such individual and a blended hourly rate for the file.

6. To the best of my knowledge, the rates charged by Bennett Jones throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred to date by Bennett Jones on this matter are reasonable and appropriate in the circumstances.

SWORN before me over videoconference )  
on this 3<sup>rd</sup> day of September 2020. The )  
affiant was located in the City of )  
Toronto, in the Province of )  
Ontario. This Affidavit was )  
Commissioned remotely as a result of )  
COVID-19 and was commissioned in )  
Accordance with Ontario Regulation 431/20 )

  
Sean H. Zweig

  
\_\_\_\_\_  
A Commissioner, etc.

**THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SEAN H. ZWEIG  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**



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**A Commissioner for taking affidavits, etc.**



Bennett Jones

Bennett Jones LLP 126  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: March 9, 2020  
Invoice: 1325147

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	31,317.50
Disbursements	\$	117.79
Other Charges	\$	1,428.50
Total Due before GST/HST	\$	32,863.79
GST/HST	\$	4,272.29
<b>Total Due in CAD</b>	<b>\$</b>	<b>37,136.08</b>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757

March 9, 2020  
 Page 2

 Client:  
 Invoice No.:

 076142.00007  
 1325147

Date	Name	Description	Hours
22/01/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering materials in order to determine next steps	0.60
23/01/20	Aiden Nelms	Reading and responding to file related emails; Preparing for and participating in conference call with CBB and FTI regarding [REDACTED]	0.90
28/01/20	Aiden Nelms	Reading and responding to file related emails; Researching and reviewing [REDACTED]; Conferring with S. Zweig regarding same	1.10
29/01/20	Aiden Nelms	Preparing for and participating in call with FTI and CBB regarding upcoming court time and [REDACTED]	0.70
30/01/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising the Eighth Report of the Monitor	0.70
03/02/20	Sean Zweig	Emails with CBB regarding upcoming motion	0.10
04/02/20	Sean Zweig	Reviewing updated claims analysis; Call with Monitor and CBB; Follow-up correspondence regarding claims; Two calls with T. Bauer regarding tax issue; Reviewing and commenting on CBB stay extension materials; Emails with J. Robinson regarding same	2.30
04/02/20	Thomas Bauer	Telephone call from S. Zweig regarding [REDACTED]; [REDACTED]; Review WEPPA; Review [REDACTED]; [REDACTED]; Correspondence with S. Zweig	1.50
05/02/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising Service List; Call with B. Goodis regarding same	0.90
05/02/20	Nicholas Arrigo	Research regarding [REDACTED]; Discussions with T. Bauer	3.60
05/02/20	Thomas Bauer	Meeting with N. Arrigo regarding research question; Review [REDACTED]; Meeting with N. Arrigo regarding [REDACTED]; Telephone conference with S. Zweig	1.40
05/02/20	Sean Zweig	Reviewing revised application materials; Emails regarding [REDACTED]; Call with T. Bauer	1.00

March 9, 2020  
 Page 3

 Client: 076142.00007  
 Invoice No.: 1325147

Date	Name	Description	Hours
		regarding [REDACTED], and follow-up emails; Emails regarding [REDACTED]	
06/02/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and redacting invoices for Fee Affidavits; Revising Service List	3.60
06/02/20	Sean Zweig	Call with J. Robinson regarding [REDACTED]	0.30
07/02/20	Sean Zweig	Various correspondence	0.20
09/02/20	Sean Zweig	Emails with N. Levine	0.20
10/02/20	Aiden Nelms	Reading and responding to file related emails; Phone call with J. Robinson regarding Eighth Report of the Monitor; Call with B. Goodis regarding Payless Canada Entities' motion materials; Drafting and revising Eighth Report of the Monitor	7.90
10/02/20	Mike Shakra	Reviewing and responding to file related emails; Reviewing motion materials and discussing [REDACTED] with J. Robinson and Cassels Brock; Reviewing draft Monitor's report	2.00
10/02/20	Sean Zweig	Emails with B. Goodis and reviewing revised Affidavit	0.20
11/02/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising the 8th Report of the Monitor; Multiple phone calls with J. Robinson throughout the day regarding same	4.10
11/02/20	Sean Zweig	Reviewing and commenting on draft Report; Reviewing updated Affidavit; Reviewing final motion record served	2.20
12/02/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising the 8th Report of the Monitor; Call with J. Robinson regarding same; Drafting and finalizing P. Bishop's Fee Affidavit	3.30
12/02/20	Sean Zweig	Reviewing J. Robinson's comments on Report; Discussing same with A. Nelms; Reviewing revised draft; Reviewing CBB's comments on Report, and emails in connection with same	1.00
13/02/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising Fee Affidavits for the Eighth Report; Attending FTI's offices to have the	5.00



March 9, 2020  
 Page 4

 Client: 076142.00007  
 Invoice No.: 1325147

Date	Name	Description	Hours
		Affidavit of Paul Bishop sworn; Multiple calls with J. Robinson regarding the Eighth Report of the Monitor; Reviewing and revising the Eighth Report of the Monitor; Finalizing and serving same	
13/02/20	Sean Zweig	Reviewing email [REDACTED]; Emails in connection with [REDACTED]; Reviewing and commenting on Fee Affidavit; Reviewing final Report; Considering [REDACTED]	0.90
18/02/20	Aiden Nelms	Reading and responding to file related emails; Preparing for and participating in a call with FTI [REDACTED]	0.90
18/02/20	Sean Zweig	Considering [REDACTED] each of K. Hanc and Monitor regarding same	0.80
19/02/20	Kris Hanc	Call with S. Zweig; Reviewing [REDACTED]; Email regarding same	0.60
19/02/20	Sean Zweig	Reviewing draft NORD form; Discussion with J. Robinson regarding same; Providing comments on same	0.50
20/02/20	Aiden Nelms	Preparing materials for February 21 appearance	0.20
20/02/20	Sean Zweig	Call with N. Levine regarding [REDACTED]	0.20
21/02/20	Aiden Nelms	Reading and responding to file related emails; Preparing for and attending at court	1.20
21/02/20	Sean Zweig	Preparing for and attending at hearing; Correspondence regarding remaining claims	1.40
Total Hours			51.50
Total Professional Services			\$ 31,317.50

Name	Hours
Kris Hanc	0.60
Thomas Bauer	2.90
Sean Zweig	11.30
Nicholas Arrigo	3.60
Aiden Nelms	31.10
Mike Shakra	2.00

Disbursements	Amount
Process Server	\$ 55.00
Courier	\$ 62.79



March 9, 2020  
Page 5

Client: 076142.00007  
Invoice No.: 1325147

**Disbursements** **Amount**

Total Disbursements \$ 117.79

**Other Charges** **Amount**

Photocopy Charges \$ 996.50

Printing \$ 405.50

Colour Printing \$ 26.50

Total Other Charges \$ 1,428.50

GST/HST \$ 4,272.29

**TOTAL DUE** \$ **37,136.08**



FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: March 9, 2020  
Invoice: 1325147

**Remittance Statement**

Professional Services	\$	31,317.50
Disbursements	\$	117.79
Other Charges	\$	1,428.50
Total Due before GST/HST	\$	32,863.79
GST/HST	\$	4,272.29
<b>Total Due in CAD</b>	<b>\$</b>	<b>37,136.08</b>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Bennett Jones

Bennett Jones LLP 132  
 Suite 3400  
 1 First Canadian Place  
 P.O. Box 130  
 Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
 SUITE 2010  
 79 WELLINGTON STREET WEST  
 TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
 Paul Bishop**

Re: Payless ShoeSource  
 Our File Number: 076142.00007

Date: April 6, 2020  
 Invoice: 1329811

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	7,179.50
Disbursements	\$	312.71
Other Charges	\$	2.00
Total Due before GST/HST	\$	7,494.21
GST/HST	\$	974.25
Less Amount Applied From Trust	\$	(8,468.46)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

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April 6, 2020  
 Page 2

 Client:  
 Invoice No.:

 076142.00007  
 1329811

Date	Name	Description	Hours
02/03/20	Sean Zweig	Emails regarding outstanding claim	0.20
05/03/20	Sean Zweig	Emails in connection with payments from [REDACTED]	0.30
06/03/20	Sean Zweig	Emails in connection with [REDACTED]; Call with N. Levine regarding same	0.30
09/03/20	Sean Zweig	Call with S. Brotman; Emails in connection with distribution date; Call with N. Levine; Correspondence with T. Courtis; Various correspondence with Monitor and CBB	0.70
10/03/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering First Amended Plan and Plan Supplement [REDACTED] [REDACTED] Reviewing and considering Receivership Order in respect of same; Phone call with S. Zweig regarding same; Reviewing and commenting on d [REDACTED] [REDACTED]	1.20
10/03/20	Sean Zweig	Various correspondence in connection with [REDACTED], and reviewing Plan in connection with same; Discussions with each of A. Nelms and J. Robinson regarding same; Reviewing and commenting on draft letter regarding distributions	0.70
11/03/20	Aiden Nelms	Reading and responding to file related emails; Finalizing Receiver's Certificate	0.60
11/03/20	Sean Zweig	Correspondence in connection with receivership certificate	0.20
13/03/20	Aiden Nelms	Reading and responding to file related emails; Finalizing execution version of Receiver's Certificate	0.50
13/03/20	Sean Zweig	Reviewing correspondence in connection with creditor distributions and filing certificate	0.30
16/03/20	Aiden Nelms	Reading and responding to file related emails; Phone call with J. Robinson regarding Receivership Certificate	0.60
16/03/20	Sean Zweig	Emails with A. Nelms	0.10
17/03/20	Aiden Nelms	Reading and responding to file related emails	0.30

April 6, 2020  
 Page 3

 Client: 076142.00007  
 Invoice No.: 1329811

Date	Name	Description	Hours
17/03/20	Sean Zweig	Reviewing correspondence regarding receivership certificate; Reviewing additional claims received from US and correspondence regarding same	0.40
18/03/20	Aiden Nelms	Reading and responding to file related emails	0.20
19/03/20	Aiden Nelms	Reading and responding to file related emails; Coordinating execution of the Receivership Certificate	0.30
19/03/20	Sean Zweig	Reviewing email from N. Levine with additional claims; Emails with J. Robinson regarding same; Call with Monitor and CBB regarding [REDACTED]; Reviewing correspondence with UCC counsel	0.80
20/03/20	Aiden Nelms	Reading and responding to file related emails; Finalizing and serving the Receivership Certificate; Drafting note to the Service List; Reviewing and considering Receivership Order	1.20
20/03/20	Sean Zweig	Various correspondence in connection with issuance of receivership certificate	0.40
24/03/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering Plan and Sanction Order as they relate to [REDACTED]	1.20
24/03/20	Sean Zweig	Emails regarding [REDACTED], and reviewing Plan and Sanction Order in connection with same	0.50
25/03/20	Aiden Nelms	Reading and responding to file related emails	0.20
25/03/20	Sean Zweig	Emails with A. Nelms	0.10
Total Hours			11.30
Total Professional Services			\$ 7,179.50

Name	Hours
Sean Zweig	5.00
Aiden Nelms	6.30

Disbursements	Amount
Courier	\$ 307.87
SoundPath Legal Conferencing	\$ 4.84
Total Disbursements	\$ 312.71

Other Charges	Amount
---------------	--------



April 6, 2020  
Page 4

Client: 076142.00007  
Invoice No.: 1329811

<b>Other Charges</b>		<b>Amount</b>
Photocopy Charges	\$	0.75
Printing	\$	1.25
	Total Other Charges	\$ 2.00
	GST/HST	\$ 974.25
	Less Amount Applied From Trust	\$ (8,468.46)
	<b>TOTAL DUE</b>	<b>\$ 0.00</b>



FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: April 6, 2020  
Invoice: 1329811

**Remittance Statement**

Professional Services	\$	7,179.50
Disbursements	\$	312.71
Other Charges	\$	2.00
Total Due before GST/HST	\$	7,494.21
GST/HST	\$	974.25
Less Amount Applied From Trust	\$	(8,468.46)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





Bennett Jones

Bennett Jones LLP 137  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: May 5, 2020  
Invoice: 1334535

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	1,020.00
Disbursements	\$	55.00
Total Due before GST/HST	\$	1,075.00
GST/HST	\$	139.75
Less Amount Applied From Trust	\$	(1,214.75)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

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May 5, 2020  
 Page 2

 Client: 076142.00007  
 Invoice No.: 1334535

Date	Name	Description	Hours
01/04/20	Sean Zweig	Call with J. Robinson	0.20
14/04/20	Sean Zweig	Reviewing [REDACTED]; Emails with J. Robinson regarding same	0.30
15/04/20	Sean Zweig	Reviewing and commenting on draft [REDACTED]; Emails with J. Robinson regarding same	0.30
16/04/20	Sean Zweig	Reviewing draft letter to Ministry of Finance regarding EHT; Emails in connection with same	0.20
30/04/20	Sean Zweig	Reviewing correspondence in connection with ongoing [REDACTED]	0.20

Total Hours	1.20
Total Professional Services	\$ 1,020.00

Name	Hours
Sean Zweig	1.20

Disbursements	Amount
Process Server	\$ 55.00
Total Disbursements	\$ 55.00
GST/HST	\$ 139.75
Less Amount Applied From Trust	\$ (1,214.75)
TOTAL DUE	\$ 0.00



FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: May 5, 2020  
Invoice: 1334535

**Remittance Statement**

Professional Services	\$	1,020.00
Disbursements	\$	55.00
Total Due before GST/HST	\$	1,075.00
GST/HST	\$	139.75
Less Amount Applied From Trust	\$	(1,214.75)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Bennett Jones

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Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: June 2, 2020  
Invoice: 1338697

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	850.00
Total Due before GST/HST	\$	850.00
GST/HST	\$	110.50
Less Amount Applied From Trust	\$	(960.50)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

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June 2, 2020  
 Page 2

 Client: 076142.00007  
 Invoice No.: 1338697

Date	Name	Description	Hours
04/05/20	Sean Zweig	Reviewing correspondence regarding [REDACTED]	0.10
05/05/20	Sean Zweig	Various emails in connection with [REDACTED] and approval from lenders; Considering approval required	0.30
07/05/20	Sean Zweig	Various correspondence regarding [REDACTED] matters	0.20
08/05/20	Sean Zweig	Reviewing correspondence in connection with [REDACTED]	0.30
11/05/20	Sean Zweig	Reviewing email from J. Robinson	0.10
Total Hours			1.00
Total Professional Services			\$ 850.00

Name	Hours
Sean Zweig	1.00
GST/HST	\$ 110.50
Less Amount Applied From Trust	\$ (960.50)
TOTAL DUE	\$ <u>0.00</u>



FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: June 2, 2020  
Invoice: 1338697

**Remittance Statement**

Professional Services	\$	850.00
Total Due before GST/HST	\$	850.00
GST/HST	\$	110.50
Less Amount Applied From Trust	\$	(960.50)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Bennett Jones

Bennett Jones LLP 143  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: July 3, 2020  
Invoice: 1343245

---

**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	170.00
Total Due before GST/HST	\$	170.00
GST/HST	\$	22.10
Less Amount Applied From Trust	\$	(192.10)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757



July 3, 2020  
Page 2

Client: 076142.00007  
Invoice No.: 1343245

Date	Name	Description	Hours
11/06/20	Sean Zweig	Call with N. Levine regarding status of [REDACTED] [REDACTED]	0.20

Total Hours		0.20
Total Professional Services	\$	170.00

Name	Hours
Sean Zweig	0.20

GST/HST	\$	22.10
Less Amount Applied From Trust	\$	(192.10)
<b>TOTAL DUE</b>	<b>\$</b>	<b>0.00</b>





FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: July 3, 2020  
Invoice: 1343245

**Remittance Statement**

Professional Services	\$	170.00
Total Due before GST/HST	\$	170.00
GST/HST	\$	22.10
Less Amount Applied From Trust	\$	(192.10)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Bennett Jones

Bennett Jones LLP 146  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: August 5, 2020  
Invoice: 1347900

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	595.00
Total Due before GST/HST	\$	595.00
GST/HST	\$	77.35
Less Amount Applied From Trust	\$	(672.35)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757



August 5, 2020  
Page 2

Client: 076142.00007  
Invoice No.: 1347900

Date	Name	Description	Hours
07/07/20	Sean Zweig	Discussion with J. Robinson regarding [REDACTED]	0.20
28/07/20	Sean Zweig	Call with Monitor and Cassels [REDACTED]	0.50
Total Hours			0.70
Total Professional Services			\$ 595.00

Name	Hours
Sean Zweig	0.70
GST/HST	\$ 77.35
Less Amount Applied From Trust	\$ (672.35)
TOTAL DUE	\$ <u>0.00</u>



FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: August 5, 2020  
Invoice: 1347900

**Remittance Statement**

Professional Services	\$	595.00
Total Due before GST/HST	\$	595.00
GST/HST	\$	77.35
Less Amount Applied From Trust	\$	(672.35)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

Remit by Wire Transfer

[Redacted wire transfer information]

Remit By Interac e-Transfer

Email: bennettjonesft@bennettjones.com  
\*For ease of processing, please include the invoice(s) number in the Message Field\*  
Note: e-transfers are CAD only and are subject to daily limits set by the sender's bank

Remit By Visa/Mastercard



August 5, 2020  
Page 2

Client:  
Invoice No.:

076142.00007  
1347900

Contact the Accounts Receivable Department by email at [AR@bennettjones.com](mailto:AR@bennettjones.com)



Bennett Jones

Bennett Jones LLP 150  
Suite 3400  
1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and  
Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: September 2, 2020  
Invoice: 1352075

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	12,761.00
Total Due before GST/HST	\$	12,761.00
GST/HST	\$	1,658.93
Less Amount Applied From Trust	\$	(14,419.93)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com). GST/HST number: 119346757

September 2, 2020  
 Page 2

 Client:  
 Invoice No.:

 076142.00007  
 1352075

Date	Name	Description	Hours
07/08/20	Sean Zweig	Reviewing correspondence regarding [REDACTED]	0.10
13/08/20	Sean Zweig	Call with J. Robinson; Call with Monitor and Cassels regarding upcoming hearing and [REDACTED]; Reviewing correspondence regarding [REDACTED]	1.00
24/08/20	Aiden Nelms	Reading and responding to file related emails	0.40
24/08/20	Mike Shakra	Reviewing and responding to file related emails; Reviewing motion materials and commenting on same	1.50
25/08/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and commenting on draft Order and Affidavit; [REDACTED]	2.60
25/08/20	Sean Zweig	Reviewing and commenting on draft Court materials and various emails regarding same	0.70
26/08/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and considering certain materials in respect of question regarding the [REDACTED]; Drafting and revising the Ninth Report	2.80
26/08/20	Sean Zweig	Emails with Monitor and internal team regarding [REDACTED]; Emails with Monitor regarding draft court materials	0.40
27/08/20	Aiden Nelms	Reading and responding to file related emails; Revising draft Order and running blacklines; Drafting and revising the Ninth Report	4.30
27/08/20	Sean Zweig	Call with J. Robinson; Emails with internal team; Emails with J. Robinson regarding issue for Order	0.50
28/08/20	Aiden Nelms	Reading and responding to file related emails; Drafting and revising the Ninth Report of the Monitor	2.30
28/08/20	Mike Shakra	Reviewing and responding to file related emails; Reviewing and revising Monitor's report	1.50
30/08/20	Aiden Nelms	Reading and responding to file related emails	0.30
30/08/20	Sean Zweig	Reviewing and commenting on draft Monitor's Report	0.70
31/08/20	Aiden Nelms	Reading and responding to file related emails; Reviewing and revising the Ninth Report of the	2.90



September 2, 2020  
Page 3

Client: 076142.00007  
Invoice No.: 1352075

Date	Name	Description	Hours
		Monitor; Reviewing and redacting the Monitor's invoices; Reviewing and redacting BJ's invoices	
31/08/20	Mike Shakra	Reviewing and responding to file related emails	0.30
31/08/20	Sean Zweig	Reviewing revised Report; Emails with Monitor regarding same	0.40
Total Hours			22.70
Total Professional Services			\$ 12,761.00

Name	Hours	
Sean Zweig	3.80	
Aiden Nelms	15.60	
Mike Shakra	3.30	
GST/HST		\$ 1,658.93
Less Amount Applied From Trust		\$ (14,419.93)
TOTAL DUE		\$ 0.00





# Bennett Jones

FTI CONSULTING CANADA INC.  
SUITE 2010  
79 WELLINGTON STREET WEST  
TORONTO, ON M5K 1G8

**Attention: Greg Watson and Paul Bishop**

Re: Payless ShoeSource  
Our File Number: 076142.00007

Date: September 2, 2020  
Invoice: 1352075

### Remittance Statement

Professional Services	\$	12,761.00
Total Due before GST/HST	\$	12,761.00
GST/HST	\$	1,658.93
Less Amount Applied From Trust	\$	(14,419.93)
<b>Total Due in CAD</b>	<b>\$</b>	<b>0.00</b>

Remit by Wire Transfer



\*For ease of processing, please include the invoice(s) number in the Details section\*

Remit By Interac e-Transfer

Email: bennettjonesft@bennettjones.com  
\*For ease of processing, please include the invoice(s) number in the Message Field\*  
Note: e-transfers are CAD only and are subject to daily limits set by the sender's bank

Remit By Visa/Mastercard

Contact the Accounts Receivable Department by email at AR@bennettjones.com

**THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SEAN H. ZWEIG  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**



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**A Commissioner for taking affidavits, etc.**

### Exhibit "B"

Invoice #	Period Ending	Date of Account	Fees	Expenses/ Disbursements	GST/HST	Total
1325147	21-Feb-20	9-Mar-20	\$ 31,317.50	\$ 1,546.29	\$ 4,272.29	\$ 37,136.08
1329811	25-Mar-20	6-Apr-20	\$ 7,179.50	\$ 314.71	\$ 974.25	\$ 8,468.46
1334535	30-Apr-20	5-May-20	\$ 1,020.00	\$ 55.00	\$ 139.75	\$ 1,214.75
1338697	11-May-20	2-Jun-20	\$ 850.00	\$ -	\$ 110.50	\$ 960.50
1343245	11-Jun-20	3-Jul-20	\$ 170.00	\$ -	\$ 22.10	\$ 192.10
1347900	28-Jul-20	5-Aug-20	\$ 595.00	\$ -	\$ 77.35	\$ 672.35
1352075	31-Aug-20	2-Sep-20	\$ 12,761.00	\$ -	\$ 1,658.93	\$ 14,419.93
<b>TOTAL</b>			<b>\$ 53,893.00</b>	<b>\$ 1,916.00</b>	<b>\$ 7,255.17</b>	<b>\$ 63,064.17</b>

**THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SEAN H. ZWEIG  
SWORN  
THE 3<sup>rd</sup> DAY OF SEPTEMBER 2020**



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**A Commissioner for taking affidavits, etc.**

### Exhibit "C"

Timekeeper	Year of Call (if applicable)	Hourly Rate	Total Time	Fees
Thomas Bauer	2004	\$ 1,200.00	2.9	\$ 3,480.00
Zweig, Sean	2009	\$ 850.00	23.2	\$ 19,720.00
Kris Hanc	2007	\$ 865.00	0.6	\$ 519.00
Mike Shakra	2013	\$ 690.00	5.3	\$ 3,657.00
Nicholas Arrigo	2017	\$ 520.00	3.6	\$ 1,872.00
Aiden Nelms	2018	\$ 465.00	53	\$ 24,645.00
<b>TOTAL</b>		<b>Total Hours:</b>	<b>85.7</b>	<b>\$ 53,893.00</b>

<b>Blended Rate</b> (excluding expenses and HST) <b>\$53,893.00 ÷ 85.7 hours =</b>	<b>\$628.86</b>
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PAYLESS SHOESOURCE CANADA INC. AND  
PAYLESS SHOESOURCE CANADA GP INC.**

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF SEAN H. ZWEIG**

**BENNETT JONES LLP**  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

**Sean H. Zweig** (LSO #57307I)  
**Michael Shakra** (LSO # 64604K)  
**Aiden Nelms** (LSO# 74170S)

Tel: (416) 863-1200  
Fax: (416) 863-1716

Counsel to the Monitor,  
FTI Consulting Canada Inc.