

RICHTER

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SHERSON GROUP INC.

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.,
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
SHERSON GROUP INC.**

SEPTEMBER 25, 2015

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

**IN THE MATTER OF THE NOTICE OF INTENTION OF
SHERSON GROUP INC.**

**THIRD REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE
NOTICE OF INTENTION OF
SHERSON GROUP INC.**

SEPTEMBER 25, 2015

Introduction

1. This report (the **"Third Report"**) is filed by Richter Advisory Group Inc. (**"Richter"**), in its capacity as proposal trustee (the **"Trustee"**) in connection with the Notice of Intention to Make a Proposal (**"NOI"**) filed by Sherson Group Inc. (**"Sherson"** or the **"Company"**).
2. On June 29, 2015 (the **"Filing Date"**), Sherson filed an NOI under Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B.-3, as amended (the **"BIA"**).
3. On June 30, 2015, the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) issued an order (the **"June 30 Order"**) which, among other things (i) authorized and empowered the Trustee to act as a foreign representative (the **"Foreign Representative"**), and (ii) authorized and empowered the Trustee, as Foreign Representative, to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 – 1330, as amended (the **"US Bankruptcy Code"**) and any other provision of the US Bankruptcy Code.

4. Subsequent to the granting of the June 30 Order, on July 8, 2015, the Company sought and obtained an order granting provisional relief from the United States Bankruptcy Court for the Southern District of New York (the “**US Court**”) that, *inter alia*, recognised and enforced the Company’s NOI proceedings and recognised the NOI proceedings as a foreign main proceeding. A hearing on the provisional relief granted by the US Court was scheduled for July 27, 2015 at which time the US Court issued an order, *inter alia*, recognising and enforcing the Company’s NOI proceedings and recognising the NOI proceedings as a foreign main proceeding.
5. On June 28, 2015, the Court issued an order providing a brief extension (the “**June 28 Extension**”) to the stay of proceedings, which was set to expire on July 29, 2015 (the “**Stay Period**”), to August 6, 2015. A copy of the June 28 Extension order is attached hereto as **Appendix “A”**.
6. On August 4, 2015, BDC (as defined below) served a motion seeking to terminate the stay of proceedings pursuant to the NOI and appointing Richter as Receiver (the “**BDC Receivership Motion**”).
7. On August 6, 2015, on consent of all parties, the Court endorsed an extension (the “**August 6 Extension**”) of the Stay Period to August 18, 2015 and adjourned the BDC Receivership Motion to August 18, 2015. A copy of the endorsement granting the August 6 Extension is attached hereto as **Appendix “B”**.
8. On August 12, 2015, the Court endorsed a further brief extension (the “**August 12 Extension**”) to the Stay Period to August 20, 2015 to provide the Company additional time to serve its materials seeking approval of the Transaction (as defined below) and also adjourned the BDC Receivership Motion to August 20, 2015. A copy of the endorsement granting the August 12 Extension is attached hereto as **Appendix “C”**.
9. On August 20, 2015, the Court issued two (2) orders which, among other things, approved (i) the sale (the “**Sale Approval Order**”) of substantially all of the Company’s business and assets (the “**Transaction**”) to Nine West Canada LP (“**NW Canada**” or the “**Purchaser**”), assigned, to the Purchaser (the “**Assignment Order**”), the Company’s rights and obligations under such contracts and/or leases, which the Purchaser may elect to assume, in accordance with the terms of the Asset Purchase Agreement (the “**APA**”), and extended the Stay Period to October 4, 2015. On the same date, the BDC Receivership Motion was adjourned pending the closing of the Transaction, at which time the BDC Receivership Motion would be withdrawn. Copies of the Sales Approval Order and the Assignment Order are attached hereto as **Appendices “D” and “E”** respectively.

Purpose of this Report

10. The purpose of this Third Report is to provide this Court with information pertaining to:
- (i) the Transaction;
 - (ii) the primary activities of the Company and the Trustee since August 14, 2015 (the date of the Trustee's Second Report, the "**Second Report**") to the date of this Third Report;
 - (iii) the Company's revised cash flow forecast for the period from September 20, 2015 to November 28, 2015 (the "**September 20 Cash Flow Forecast**");
 - (iv) the Company's request for an extension of the Stay Period to November 18, 2015; and
 - (v) the Trustee's recommendation that this Court make an order, as requested by the Company:
 - (a) extending the Stay Period to November 18, 2015; and
 - (b) approving the Third Report as well as the activities, actions and conduct of the Trustee set out therein.

Terms of Reference

11. In preparing this Third Report, the Trustee has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records, and discussions with the Company's representatives and the Company's legal counsel. The Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

The Transaction

13. As noted in the Second Report, in the Trustee's view, the only alternative to the Transaction was the liquidation of the Company's assets through receivership and/or bankruptcy proceedings.
14. The Transaction, which was approved by this Court (see Appendix "D"), was completed on Friday, August 21, 2015 (the "**Closing Date**") and the Trustee's Certificate as contemplated by the Sale Approval Order was delivered to the Purchaser that day and filed with the Court on Monday, August 24, 2015.
15. The consideration for the Transaction included (i) a cash payment sufficient to satisfy the secured amounts owed by Sherson to Bank of Montreal ("**BMO**") and BDC Capital Inc. ("**BDC**") and provide partial recovery to Stephen Applebaum Inc. ("**SAI**", and together with BMO and BDC, the "**Secured Lenders**") in connection with their respective secured indebtedness (plus a \$50,000 payment to administer the Company's bankruptcy proceedings, if required, following completion of the Transaction), (ii) the assumption of certain assumed liabilities, and (iii) payments to the Trustee so that the Trustee could pay, on behalf of Sherson, certain of the Company's post-filing liabilities (as set out in the APA), including professional fees, sales taxes and other amounts (the "**Post-Filing Liabilities**").
16. As contemplated by the Sale Approval Order, upon closing of the Transaction, the Purchaser paid the balance of the purchase price (the "**Purchase Price**") due on closing to BMO, BDC, SAI (the Company's first, second and third- ranking secured creditors respectively) and the Trustee in accordance with the amounts specified in the APA and the payout letters provided by both BMO and BDC. As noted above, the amount realized from the Transaction was sufficient to satisfy, in full, the secured amounts owed by Sherson to each of BMO and BDC (after taking into account a discount agreed to by both such secured creditors) and provide partial recovery to SAI on its secured indebtedness. Payment of the final installment of the Purchase Price, which is due to be paid on the Designation Date (as defined below), will provide a further partial payment/recovery to SAI on account of its secured indebtedness, which will not be fully repaid from the sale proceeds.
17. The Transaction provided that the Purchaser will have a maximum of 90 days from the Closing Date (the "**Designation Date**") to review the Company's contracts and to inform the Company of those contracts (including real property leases) to which the Company is a party that the Purchaser wishes to assume as well as which Company employees the Purchaser wishes to extend offers of employment to. To facilitate the foregoing, from and after the Closing Date until the earlier of the Designation Date or the date on which the applicable contract is either assigned to the Purchaser or otherwise terminated/disclaimed in accordance with section 4.2 of the APA (the "**Interim Period**"), the Company is to provide such services to

the Purchaser to facilitate the implementation of the Transaction and the Purchaser is to reimburse Sherson for all associated costs, as set out in the APA. During the Interim Period, Sherson is to remain in possession of leased premises, retain employees and continue to operate under existing contracts and leases pending the Purchaser's final determination of its interest in the Company's retail locations, employees and agreements.

18. As security for the Post-Filing Liabilities, the Purchaser prepaid an amount estimated to be sufficient to satisfy the Post-Filing Liabilities to the Trustee (the "**Post-Filing Liability Deposit**") to be applied against the Post-Filing Liabilities by the Trustee. Should the Post-Filing Liability Deposit be insufficient to pay, in full, the Post-Filing Liabilities, the Purchaser shall pay such additional amounts, as required to satisfy the Post-Filing Liabilities. Any portion of the Post-Filing Liability Deposit not required to satisfy the Post-Filing Liabilities, is to be returned to the Purchaser within three (3) business days after the Designation Date.
19. Following notice by the Purchaser to the Company that the Purchaser wishes to obtain an assignment of a contract or lease, the APA provides that both parties are to use reasonable commercial efforts to obtain the consents or approvals to such assignment, if any are required. The Purchaser also agreed to pay cure costs associated with such assignment, as required. In the event that the Purchaser and the Company are not able to negotiate assignments based on section 4.2 of the APA, the Purchaser will rely on the Assignment Order, which compels the assignment of those contracts/agreements to the Purchaser subject to, among other things, the Trustee's verification that appropriate cure costs (being the costs to cure any monetary defaults other than those arising by reason of Sherson's insolvency or Sherson's failure to perform a non-monetary obligation) will be satisfied. The Purchaser may, however, seek a further order of the Court forcing the assignment of real property leases, which were not addressed in the Assignment Order.
20. The Purchaser has advised the Trustee that although progress has been made in determining which contracts/agreements (including real property leases) the Purchaser wishes to assume, additional time (as contemplated by the APA) is required to complete its review of the Company's contracts/agreements and contact counterparties to those contracts/agreements that the Purchaser wishes to assume regarding the assignment of same.

The Company's Activities

21. The Company's activities since the Filing Date to August 14, 2015 are detailed in the Trustee's First Report dated July 27, 2015 (the "**First Report**") and the Second Report. Subsequent to the filing of the Second Report, Sherson's activities have included:

- (i) communicating with the Purchaser, the Trustee and the Secured Lenders regarding the closing of the Transaction and the distribution of the amounts realized from the Transaction to the Secured Lenders and the Trustee;
- (ii) communicating with the Purchaser and the Trustee regarding the payment of the Post-Filing Liabilities as well as those obligations incurred by the Company during the Interim Period;
- (iii) responding to calls and enquiries from creditors and other stakeholders regarding the Transaction and other matters in connection with the Company's NOI proceedings;
- (iv) reporting receipts and disbursements;
- (v) making payments to suppliers for goods services received subsequent to the Filing Date;
- (vi) consulting with the Trustee in connection with the preparation of the September 20 Cash Flow Forecast; and
- (vii) consulting with the Trustee and its counsel on various matters in connection with the Transaction and the NOI proceedings.

The Trustee's Activities

22. The Trustee's activities since the Filing Date to August 14, 2015 are detailed in the First Report and the Second Report. Subsequent to the filing of the Second Report, the Trustee's activities have included:

- (i) monitoring Sherson's cash flows, including the reporting of variances to the Company's cash flow forecasts;
- (ii) communicating extensively with BMO, BDC and SAI and their respective legal counsel regarding the closing of the Transaction and the distribution of the amounts realized from the Transaction to the Secured Lenders;

- (iii) responding to calls and enquiries from creditors and other stakeholders regarding the Transaction and other matters in connection with the Company's NOI proceedings;
- (iv) assisting the Company with the preparation of the September 20 Cash Flow Forecast;
- (v) communicating with the Purchaser and its counsel regarding the Transaction, including its progress in determining which Company contracts/leases (including real property leases) the Purchaser wishes to assume and which Company employees the Purchaser wishes to offer employment to;
- (vi) communicating with the Company and the Purchaser regarding the payment of Post Filing Liabilities and other obligations incurred during the Interim Period; and
- (vii) preparing this Third Report.

The Company's Request for an Extension of the Stay Period to November 18, 2015

- 23. The Company's cash flow forecast for the period August 9, 2015 to October 10, 2015 (the "**August 9 Cash Flow Forecast**") was filed with the Court in support of the Company's motion returnable August 20, 2015.
- 24. The Trustee reported on the Company's cash flows for the period June 29, 2015 to August 8, 2015 in its Second Report. The Trustee is not commenting on the Company's reported cash flows compared against its cash flow forecasts in this Third Report as, pursuant to the APA, the Purchaser acquired any surplus cash available on the Closing Date and, subsequent to the closing of the Transaction, the Purchaser has been funding the Company's ongoing operating costs. In connection with the foregoing, the Trustee is not aware of any expenses being incurred by the Company subsequent to the Closing Date that would not be subject to reimbursement by the Purchaser under the APA terms.
- 25. The current Stay Period expires on October 4, 2015. The Company is seeking an extension of the Stay Period to November 18, 2015 (being the maximum 45 days permitted by the BIA).

26. As the August 9 Cash Flow Forecast only covers the period to October 10, 2015, the Company, with the assistance of the Trustee, has prepared the September 20 Cash Flow Forecast, which provides an estimate of the Company's receipts and disbursements for the period ending November 28, 2015. A copy of the September 20 Cash Flow Forecast is attached hereto as **Appendix "F"** and is summarized below:

| Sherson Group Inc. Cash Flow Forecast For the Period September 20, 2015 to November 28, 2015 (\$000's) | | |
|---|-----------|--------------|
| Receipts | | |
| Cash in from Escrow Account | \$ | 549 |
| Expense Reimbursements | | 4,828 |
| | | 5,377 |
| Disbursements | | |
| Duty & Other | | - |
| Payroll | | 2,258 |
| Rent | | 1,611 |
| Sales Tax | | 428 |
| Other Operating Expenses | | 1,000 |
| Bank & Credit Card Charges | | 20 |
| Restructuring Fees | | 60 |
| | | 5,377 |
| Net Cash Flow | \$ | - |

27. As the Transaction has closed, the underlying assumption of the September 20 Cash Flow Forecast is that the Purchaser, in accordance with the APA, will provide funding to the Company to satisfy its ongoing operating expenses, including employee payroll costs, lease expenses, sales taxes and professional fees.
28. The September 20 Cash Flow Forecast indicates that, assuming the Purchaser fulfills its obligation to fund the Company's ongoing operating expenses, the Company will have sufficient liquidity to fund both any remaining operating costs and the costs of these NOI proceedings during the extension of the Stay Period, if granted.
29. The Trustee is of the view that the extension of the Stay Period is appropriate in the circumstances and supports the Company's request for an extension of the Stay Period for the following reasons:
- (i) the Company has acted and is acting in good faith and with due diligence;

- (ii) the APA provides that the Purchaser is to have 90 days subsequent to the Closing Date to, among other things, advise the Company and the Trustee of those contacts/agreements (including real property leases) that the Purchaser desires to assume or those Company employees that the Purchaser wishes to offer employment to. During such period, the Company is required to provide access and services to the Purchaser as described above, and the final payment of the Purchase Price will not occur until the Designation Date; and
- (iii) the granting of the extension should not prejudice any employee or creditor, as the Company is projected to have sufficient funds to pay post-filing services and supplies, as contemplated by the September 20 Cash Flow Forecast.

Conclusion and Recommendations

30. Based on the foregoing, the Trustee respectfully recommends that this Honourable Court issue an order or orders granting the relief detailed in paragraph 10(vi) of this Third Report.

All of which is respectfully submitted this 25th day of September, 2015

Richter Advisory Group Inc.
in its capacity as Proposal Trustee of
Sherson Group Inc.



Gilles Benchaya, CPA, CA, CIRP



Adam Sherman, MBA, CIRP

APPENDIX “A”

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) TUESDAY, THE 28th DAY
JUSTICE HAINES) OF JULY, 2015

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.**

ORDER


THIS MOTION, made by Sherson Group Inc. ("**Sherson**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of Sherson, including the Affidavit of Stephen Applebaum sworn July 27, 2015 and the exhibits thereto, on reading the First Report to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the "**Proposal Trustee**") in Sherson's *Bankruptcy and Insolvency Act* (the "**BIA**") proposal proceedings (the "**Proposal Proceedings**") dated July 27, 2015, and on hearing the submissions of counsel for Sherson, counsel for the Proposal Trustee, counsel for Bank of Montreal, counsel for BDC Capital Inc. and counsel for Jones Investment Co. Inc., Nine West Development Corporation and JAG Footwear, Accessories and Retail Corporation, no one else appearing although properly served as appears from the affidavit of Daphne Porter, sworn July 27, 2014, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Sherson is hereby extended in accordance with section 50.4(9) of the BIA up to and including ^{August 6} ~~July 31~~, 2015. 

SERVICE AND NOTICE

3. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL, 'http://www.richter.ca/en/folder/insolvency-cases/s/sherson-group-inc'.

4. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, Sherson and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to Sherson's creditors or other interested parties at their respective addresses as last shown on the records of Sherson and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist Sherson, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and provide such assistance to Sherson and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist Sherson and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of Sherson and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, including, without limitation, the United States Bankruptcy Court, Southern District of New York, in the proceedings initiated by the Proposal Trustee (in its capacity as Foreign Representative of Sherson in the Proposal Proceedings) under Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330 (Case No. 15-11765-SHL), for the recognition of this Order and for assistance in carrying out the terms of this Order, including the enforcement of the Administration Charge.

7. **THIS COURT ORDERS** that any interested party (including Sherson and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHERSON GROUP INC.

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

Proceedings commenced at Toronto

ORDER

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Lawyers for Sherson Group Inc.

APPENDIX “B”

August 6, 2015
H. Chaiton for the Creditor BRC

Adjourned to August 18, 2015 at

9:30.

Pending the return the

stay under the Proposal shall

be extended to August 18, 2015.

One hour scheduled for August 7, 2015
is vacated.

[Signature]

ONTARIO
SUPERIOR COURT OF JUSTICE
(BANKRUPTCY & INSOLVENCY)

Proceedings commenced at TORONTO

MOTION RECORD
(Motion Returnable August 6, 2015)

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Lawyers for BDC Capital Inc.

APPENDIX “C”

Court File Number: 31 - 2010608

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Sherron Group Inc.

Plaintiff(s)

AND

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

| Counsel | Telephone No: | Facsimile No: |
|---------|---------------|---------------|
| | | |
| | | |

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
☐ Adjourned to: _____
☐ Time Table approved (as follows):

| |
|--|
| My August 6, 2015 Endorsement is |
| varied to provide that the |
| matter is adjourned to August |
| 20, 2015 at 9:30 a.m. The time |
| for filing a proposal is also |
| extended extended to August 20, 2015. |
| The BDC membership motion is |
| also adjourned to August 20, 2015. |

August 12, 2015
Date

- Peter J.
Judge's Signature

☐ Additional Pages _____

APPENDIX “D”

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE MEW

)
)
)

THURSDAY, THE 20TH DAY
OF AUGUST, 2015



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Sherson Group Inc. ("Sherson") for orders, among other things: (i) approving the First Report to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the "Proposal Trustee") in Sherson's *Bankruptcy and Insolvency Act* proposal proceedings (the "Proposal Proceedings"), dated July 27, 2015 (the "First Report"), and the Proposal Trustee's activities set out therein; (ii) approving the Proposal Trustee's Second Report to the Court dated August 12, 2015 (the "Second Report"), and the Proposal Trustee's activities set out therein; (ii) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between Sherson and Nine West Canada LP, by its general partner Jones Canada, Inc. on behalf of Nine West Canada LP, (the "Purchaser") dated August 6, 2015 and appended in redacted form to the Second Report and filed in unredacted form as confidential Appendix "B" to the Second Report (together with Confidential Appendix "A" to the Report, the "Confidential Appendices"); (iii) vesting in the Purchaser Sherson's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"); (iv) approving payment of the balance of the purchase price for the Purchased Assets (the "Purchase Price") to the Proposal Trustee, the Bank of Montreal ("BMO"), BDC Capital Inc. ("BDCC") and Stephen Applebaum Inc. ("SAI") in accordance

with the Sale Agreement; (v) assigning to the Purchaser, the rights and obligations of Sherson under certain contracts (collectively, the "Assigned Contracts") and leases (collectively, the "Assigned Leases"); (vi) sealing the Confidential Appendices; and (vii) extending the time for Sherson to make a proposal to its creditors up to and including October 4, 2015, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the Affidavit of Stephen Applebaum sworn August 12, 2015 (the "Applebaum Affidavit") and on hearing the submissions of counsel for the Sherson, the Proposal Trustee, the Purchaser, BMO, BDCC, Cadillac Fairview Corporation, Ivanhoe Cambridge, ^{Brookfield} and Morguard Investments Limited, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the Second Report be and are hereby approved and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that all capitalized terms used and not defined herein shall have the meaning attributed to them in the Sale Agreement.
4. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by Sherson is hereby authorized and approved, with such minor amendments as Sherson and the Purchaser may, with the Proposal Trustee's consent, deem necessary or desirable. Sherson is hereby authorized and directed to take, with the Proposal Trustee's consent, such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

5. **THIS COURT ORDERS AND DECLARES** that:

- (a) with respect to the Purchased Assets described in the Sale Agreement, including, subject to paragraph 6 hereof, the Assigned Contracts, and other than the Assigned Leases, upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of Sherson's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, or such party as designated by the Purchaser, and
- (b) with respect of the Assigned Leases forming part of the Purchased Assets, upon delivery in writing by the Purchaser to the Proposal Trustee of the assignment of such Assigned Leases to the Purchaser either (i) in accordance with the terms of such Leases or as may otherwise be agreed between the Purchaser and the relevant landlord, or (ii) by order of the Court pursuant to sections 66.(1) and 84.1 (1) of the *Bankruptcy and Insolvency Act*, (Canada), all of Sherson's right, title and interest in and to such Leases shall be absolutely assigned to and vested in the Purchaser,

in each case free and clear of and from any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, license, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, execution, levies, or other financial or monetary claims or encumbrances of any nature (whether at law or equity), and any contract, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or moveable property registry system, (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the security or ownership interests, if any, registered by the registrations listed on Schedule 2 hereto),

conditional on the underlying assets related thereto being Purchased Assets as defined the Sale Agreement, and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and the Purchaser, provided however that nothing in this paragraph 5 shall affect the rights and remedies of the applicable landlords against the Purchaser that may exist or arise under or in respect of Assigned Leases except as may otherwise be agreed to by the landlord and the Purchaser, or by further court of the Court.

6. **THIS COURT ORDERS** that in respect of the Assigned Contracts that do not require the counterparties' consent, the vesting of such Assigned Contract(s) as a Purchased Asset in the Purchaser, in accordance with the terms of this Order, shall be completed by and upon the Purchaser filing with the Proposal Trustee and serving, by courier or electronic notice to their counsel, if applicable, on the counterparties to the subject agreements a Notice of Assumption and Assignment (the "**Notice**"). In respect of agreements requiring the consent of the counterparty, the terms of the Assignment Order granted in these proceedings on August 20, 2015 (the "**Assignment Order**") will determine the timing of the proposed assignment. At the conclusion of the Designation Period, the Proposal Trustee shall file with the Court a Proposal Trustee's Assignment Certificate, in substantially in the form scheduled to the Assignment Order, identifying all agreements vested in the Purchaser pursuant to this paragraph 5.
7. **THIS COURT ORDERS** that: (a) nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of any real property lease (whether an Assigned Lease or otherwise); (b) where any real property lease is not, in accordance with its terms, transferrable or assignable to the Purchaser without first obtaining the consent of the applicable landlord, such real property lease shall not be transferred, conveyed, assigned or vested in the Purchaser by operation of this Order, save and except to the extent that the requisite consent has been, or is in the future, obtained from such landlord, or upon further order of the Court.
8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place

and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.
10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, Sherson and the Proposal Trustee are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Sherson's records pertaining to the its past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Sherson and/or the Proposal Trustee.
11. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Sherson and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made or deemed to be made in respect of Sherson;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Sherson and shall not be void or voidable by creditors of Sherson, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act*

(Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

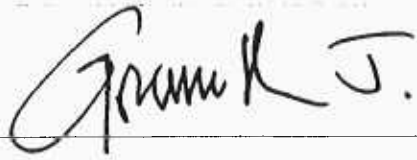
12. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).
13. **THIS COURT ORDERS** that Sherson and the Purchaser are deemed to have obtained clearance certificates as required under the *Tax Administration and Miscellaneous Taxes Act* (Manitoba), the *Revenue and Financial Services Act* (Saskatchewan), and the *Provincial Sales Tax Act* (BC), and the Purchaser shall not be liable for any taxes or penalties based on or in respect of any of the Sherson's unpaid taxes.
14. **THIS COURT ORDERS AND DECLARES** that the payments of the balance of the Purchase Price due on closing of the Transaction ("**Closing**") or thereafter, under the direction of Sherson, to BMO, BDCC, the Proposal Trustee and SAI, in accordance with and in the amounts specified in subsection 5.1(2) and section 5.2 of the Sale Agreement and, as applicable, in accordance with the Payout Letters, as that terms is defined in the Applebaum Affidavit, are hereby approved, and the Purchaser is hereby authorized to make the same and Sherson is hereby ordered and directed to execute the acknowledgment and release forming part of each Payout Letter, in favour of BMO or BDCC, as the case may be.
15. **THIS COURT DIRECTS** that the stay of proceedings provided for in the BIA shall continue to apply to Sherson, and for greater certainty until on or before the Designation Deadline, or such earlier date as permitted pursuant to the Sale Agreement, for the purposes of implementing the Sale Agreement and its obligations thereunder, Sherson shall remain the tenant under the applicable leases and shall remain in possession of the Leased Premises (as such term is defined in the Sale Agreement) and avail itself of any and all services related to the Leased Premises, including, but not limited to, all occupancy rights, utilities, water, cleaning services, garbage removal, in each case to the extent required and provided for under the applicable lease and in each case provided that the terms of such lease are being observed by Sherson (excluding, for greater certainty,

any defaults arising in respect of the within proceedings or insolvency of Sherson); and take any and all actions as may be necessary or desirable to operate the Leased Premises and to otherwise implement the Sale Agreement, free of any interference from any entity or person, subject to compliance with this Order, the applicable leases (excluding, for greater certainty, any defaults arising in respect of the within proceedings or insolvency of Sherson) and the Sale Agreement.

16. **THIS COURT ORDERS** that all inventory sold from the Leased Premises and all proceeds therefrom shall be the sole property of the Purchaser and constitute part of the Purchased Assets for all purposes, including under the Sale Agreement, and shall be sold free and clear of any interest which any person may assert against such inventory or proceeds, including, without limitation, any landlord distraint remedies.
17. **THIS COURT ORDERS** that until the earlier of further Order of this Court or the filing of the Proposal Trustee's Certificate, the Confidential Appendices to the ^{Second} Report shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.
18. **THIS COURT ORDERS** that the time for the filing of a proposal by Sherson is hereby extended in accordance with section 50.4(9) of the BIA up to and including October 4, 2015.
19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist Sherson, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and provide such assistance to Sherson and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist Sherson and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that each of Sherson and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, including, without limitation, the United States Bankruptcy Court, Southern District of New York, in the proceedings initiated by the Proposal Trustee (in its capacity as Foreign Representative of Sherson in the Proposal Proceedings) under Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330 (Case No. 15-11765-SHL), for the recognition of this Order and for assistance in carrying out the terms of this Order, including the enforcement of any of the Charges established hereby.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:


AUG 20 2015

**SCHEDULE A
FORM OF PROPOSAL TRUSTEE'S CERTIFICATE**

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.**

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- A. On June 29, 2015, Sherson Group Inc. ("**Sherson**") filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* Richter Advisory Group Inc. was appointed as Sherson's proposal trustee (the "**Proposal Trustee**").
- B. Pursuant to an Order of the Court dated August 20, 2015 (the "**Approval Order**"), the Court approved the Asset purchase agreement dated of August 6, 2015 (the "**Sale Agreement**") between the Sherson and Nine West Canada LP by its general partner, Jones Canada, Inc. acting on behalf of Nine West Canada LP (the "**Purchaser**") and provided for the vesting in the Purchaser of Sherson's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by Sherson and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee, Bank of Montreal, BDC Capital Inc. and Stephen Applebaum have received their respective portions of the Purchase Price for the Purchased Assets payable on the date of Closing pursuant to the Sale Agreement and the Approval Order;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by Sherson, with the consent of the Proposal Trustee, and the Purchaser; and
3. The Transaction has been completed to the satisfaction of Sherson and the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2015.

RICHTER ADVISORY GROUP INC., in its
capacity as Proposal Trustee of **SHERSON**
GROUP INC., and not in its personal capacity

Per: _____
Name:
Title:

**SCHEDULE B
PERMITTED ENCUMBRANCES**

(unaffected by the Vesting Order)

- (1) Xerox Canada Ltd. Ontario Personal Property Registration System ("PPRS") registration number 20110401 1701 1462 2657
- (2) G.N. Johnston Equipment Co. Ltd. PPRS registrations number 20120404 1139 1097 4529 and number 20140404 0910 1097 5179
- (3) V.W. Credit Canada Inc. PPRS registration number 20120910 1948 1531 8072
- (4) Hav-a-Kar Leasing Ltd. PPRS registrations number 20121218 1007 1462 2587, number 20130129 1002 1462 0861 and number 20130129 1002 1462 0862
- (5) Mercedes-Benz Financial Services Canada Corporation PPRS registration number 20130628 1934 1531 8228
- (6) De Lage Landen Financial Services Canada Inc. PPRS registration number 20150114 1435 1530 3013

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

ORDER

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Sam Babe (LSUC # 49498B)
Tel: 416.865.7718
Fax: 416.863.1515
Email: sabe@airdberlis.com

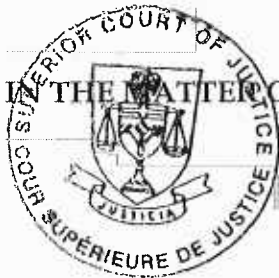
Lawyers for Sherson Group Inc.

APPENDIX “E”

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) THURSDAY, THE 20TH DAY
)
JUSTICE MEW) OF AUGUST, 2015



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF SHERSON GROUP INC.

ORDER
(Re Assignment of Agreements)

THIS MOTION, made by Sherson Group Inc. ("Sherson"), for an order assigning the rights and obligations of Sherson under certain agreements was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Stephen Applebaum sworn August 12, 2015 and the Exhibits thereto, the Second Report of Richter Advisory Group Inc., in its capacity as proposal trustee (the "Proposal Trustee") dated August 12, 2015 and the Appendices thereto (the "Second Report"), the Affidavit of Ralph Schipani sworn August 12, 2015, and on hearing the submissions of counsel for Sherson, the Proposal Trustee, NineWest Canada LP, by its general partner Jones Canada, Inc. on behalf of Nine West Canada LP (the "Purchaser") and BMO, BDCC, Cadillac Fairview

Corporation, Ivanhoe Cambridge, ^{Brookfield} and Morguard Investments Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

ASSIGNMENT OF AGREEMENTS

2. **THIS COURT ORDERS** that following the date of this Order and until the Designation Deadline (as defined in the agreement of purchase and sale between Sherson and the Purchaser dated August 6, 2015 (the "Sale Agreement")), the Purchaser and Sherson may seek to assume and assign to the Purchaser any of the agreements, other than real property leases, to which Sherson is a party (the "Agreements") by filing with the Proposal Trustee and serving, by courier or electronic notice to their counsel, if applicable, on the counterparties to the subject agreements a Notice of Assumption and Assignment (the "Notice"), together with a copy of this Order.

3. **THIS COURT ORDERS** that for Agreements requiring consent of the counterparty to assign the agreement, Sherson shall set forth in the Notice the total of all monetary defaults in relation to the applicable agreement, if any, other than those arising by reason of Sherson's insolvency, the commencement of these proceedings, or Sherson's failure to perform a non-monetary obligation (in each case, the "Sherson Cure Amount"). Where applicable, the Notice shall include a deadline of ten (10) days after the date of service of the Notice for the counterparties to file with the Proposal Trustee and serve upon the Purchaser and Sherson and any other necessary parties, their objections to the Notice, as it relates to the quantum of the cure amount.

Any such objection must set forth (i) the basis for the objection and the exact amount the party asserts as the correct cure amount, and (ii) sufficient documentation to support the cure amount asserted.

4. **THIS COURT ORDERS** that if a counterparty delivers an objection to the Sherson Cure Amount in accordance with paragraph 3 hereof, the Proposal Trustee, the Purchaser, Sherson and the counterparty shall attempt to consensually resolve the objection, failing which, the Proposal Trustee or any interested party, may schedule a 9:30 a.m. appointment with the Court for the purpose of scheduling a motion to resolve the objection.

5. **THIS COURT ORDERS** that with regard to Agreements which require the counterparties' consent and in respect of which the Purchaser delivers a Notice:

(a) which a counterparty fails to file a timely objection to the Sherson Cure Amount; or

(b) where there is a consensual or Court resolution of an objection delivered by a counterparty,

the Proposal Trustee shall deliver to the Purchaser, and immediately thereafter to the counterparty, one or more Proposal Trustee's Assignment Certificate listing the applicable agreement(s) or to be assigned. Contemporaneous with the delivery of the Proposal Trustee's Assignment Certificate to the Purchaser, the Purchaser shall pay the Sherson Cure Amount as set out in the applicable Notice or as determined consensually by the parties or determined by the Court (as the case may be).

6. **THIS COURT ORDERS** that upon delivery of the Proposal Trustee's Assignment Certificate, as contemplated in paragraph 5 hereof, all of the rights and obligations of Sherson in and to the assigned Agreements listed in the applicable Proposal Trustee's Assignment Certificate (in each case, the "Assigned Agreements") shall be assigned to and vested in the Purchaser pursuant to sections

66(1) and 84.1 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") and the Approval and Vesting Order granted by this Court on August 20, 2015 (the "**Approval and Vesting Order**").

7. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of Sherson under the Assigned Agreements pursuant to sections 66(1) and 84.1 of the BIA is valid and binding upon all of the counterparties to the Assigned Agreements notwithstanding any restriction or prohibition contained in any such Assigned Agreement relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

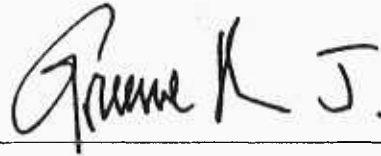
8. **THIS COURT ORDERS** that each counterparty to the Assigned Agreements is prohibited from exercising any right or remedy under the Assigned Agreements by reason of any defaults thereunder arising from these proceedings or the insolvency of Sherson or any failure of Sherson to perform a non-monetary obligation under the Assigned Agreements.

9. **THIS COURT ORDERS** that Sherson's right, title and interest in the Assigned Agreements shall be Purchased Assets under the Approval and Vesting Order and shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.


10. **THIS COURT ORDERS** that the Purchaser shall advise Sherson and the Proposal Trustee if it concludes from time to time prior to the Designation Deadline not to take an assignment of any particular Agreement.

11. **THIS COURT ORDERS** that Sherson and Proposal Trustee are hereby directed to take such additional steps and execute such additional documents as may be necessary or desirable for the assignment of the Assigned Agreements to the Purchaser.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Sherson, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.



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 AUG 20 2015

Schedule A

Proposal Trustee's Assignment Certificate

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.

PROPOSAL TRUSTEE'S ASSIGNMENT CERTIFICATE

RECITALS

- A. On June 29, 2015, Sherson Group Inc. ("**Sherson**") filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* Richter Advisory Group Inc. was appointed as Sherson's proposal trustee (the "**Proposal Trustee**").
- B. Pursuant to an Order of the Court dated August 20, 2015 (the "**Approval Order**"), the Court approved the Asset purchase agreement dated of August 6, 2015 (the "**Sale Agreement**") between the Sherson and Nine West Canada LP, by its general partner Jones Canada, Inc. on behalf of Nine West Canada LP (the "**Purchaser**") and provided for the vesting in the Purchaser of Sherson's right, title and interest in and to the Purchased Assets.
- C. Pursuant to an Order of the Court dated August 20, 2015 (the "**Assignment Order**"), providing for the assignment of all of the rights and obligations Sherson in and to various agreements, which vesting and assignment is to be effective upon the delivery by the Proposal Trustee to the Purchaser of an Assignment Certificate.

- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement and Assignment Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has satisfied any Sherson Cure Amount required to complete the assignment of the agreement specified herein (the “**Assigned Agreement**”)
[List Assigned Agreement]
2. The assignment of the Assigned Agreement has been completed to the satisfaction of the Proposal Trustee, and in accordance with the terms of the Assignment Order.
3. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2015.

RICHTER ADVISORY GROUP INC., in its
capacity as Proposal Trustee of **SHERSON
GROUP INC.**, and not in its personal capacity

Per: _____

Name:

Title:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
SHERSON GROUP INC.**

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

ORDER

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Lawyers for Sherson Group Inc.

APPENDIX “F”

Cash Flow Forecast for the Period September 20, 2015 to November 28, 2015

[illegible]

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHERSON GROUP INC.

District of Ontario
Division No. 9 - Toronto
Court File No: 31-2010608
Estate File No. 31-2010608

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

Proceedings commenced at Toronto

**THIRD REPORT OF PROPOSAL TRUSTEE
September 25, 2015**

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Lawyers for Richter Advisory Group Inc.