

This is the 2nd Affidavit
of Kathryn Adrian in this case
and was made on January 3, 2012

NO. S118142
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF ELIA FASHIONS LTD. (in its own capacity and in its capacity as a
partner of PLEASE MUM PARTNERSHIP) and
BOSSA NOVA FASHIONS LTD. (in its own capacity and in its capacity as a partner of
PLEASE MUM PARTNERSHIP)

PETITIONERS

AFFIDAVIT

I, **KATHRYN ADRIAN**, businessperson, of 333 Woodland Drive,
Vancouver, B.C., V5L 3P6, SWEAR THAT:

1. I am authorized by Please Mum Partnership, Elia Fashions Ltd. and Bossa Nova Fashions Ltd. (all collectively "**Please Mum**") to depose this Affidavit and do so on their behalf.
2. I am the Founder and the Chief Executive Officer of Please Mum and, as such, I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I do verily believe the same to be true.
3. I am also the sole officer, director and shareholder of 0710345 B.C. Ltd. ("**071**") and, as such, I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I do verily believe the same to be true.

Payment of Arrears in Source Deductions to CRA

4. Since the swearing of Affidavits #1 and #2 of Telis Kardakaris, Please Mum has paid all arrears on post-filing source deductions to Canada Revenue Agency. Now produced and shown to me and attached as **Exhibit "A"** to my Affidavit are copies of payment confirmations from Royal Bank of Canada totalling \$32,378.27 in payment of the arrears. Please Mum is now current on post-filing source deductions and has made arrangements for timely payment of \$21,961.52 to Canada Revenue Agency which will be due on January 5, 2012 in order to remain current.

Certificate of Compliance and Application for Extension


5. Please Mum has been working with 071's environmental consultant to move forward with the submission of the application for the Certificate of Compliance in relation to the Property at 333 Woodland Drive Vancouver. I anticipate that the application will be submitted in approximately one week.

6. Please Mum is seeking an extension of the stay of proceedings and other relief granted under the Initial Order to April 5, 2012. Now produced and shown to me and attached as **Exhibit "B"** to my Affidavit is a copy of Please Mum's cash flow projection for the week ending December 31, 2011 to the week ending April 7, 2012.


7. The extension of the stay of proceedings will provide time for Please Mum to satisfy the environmental condition to the sale of the Property and move forward with the closing of the sale to raise funds to assist, if feasible, in Please Mum's restructuring for the benefit of stakeholders.

8. It is my belief that Please Mum has been and continues to act in good faith and with due diligence.

SWORN BEFORE ME at Vancouver,
British Columbia, on January 3, 2012.



A Commissioner for taking Affidavits within
British Columbia



KATHRYN ADRIAN

CINDY CHEUK
Barrister & Solicitor
FRASER MILNER CASGRAIN LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460



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Make a payment - confirmation

PLEASE MUM PARTNERSHIP
PFS ID: 314976

Payment to Federal Payroll Deductions - Weekly (Thres.2) -- (PD7A)

Confirmation number	8712577
Confirmation security number	94608e9bd035a8e7789bc02b2bc45256642c3121
Pay from	10-1133685
Tax account to pay	873496319RP0001
Date payment made to employees	10 Nov 2011
Due date	17 Nov 2011
Total tax, C.P.P., E.I Remittance	\$9,727.03
Gross period payroll	\$45,803.00
Number of employees	33
Payment date	29 Dec 2011

* You may wish to save or print this page for future reference.
 ** Please note: If you need to cancel this transaction, please access the "View / Cancel Future Dated Transactions" link from your main menu



This is Exhibit "A" referred to in the
 affidavit of Kathryn Adrian
 sworn before me at Vancouver, B.C.
 this 3rd day of January, 2012.

[Signature]
 A Commissioner for taking Affidavits
 for British Columbia

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Make a payment - confirmation

PLEASE MUM PARTNERSHIP
PFS ID: 314976

Payment to Federal Payroll Deductions - Weekly (Thres.2) -- (PD7A)

Confirmation number	8713228
Confirmation security number	3c8bfe0a5e6f13596b633ae70359bc68e0ccf694
Pay from	10-1133685
Tax account to pay	873496319RP0002
Date payment made to employees	18 Nov 2011
Due date	24 Nov 2011
Total tax, C.P.P., E.I Remittance	\$13,398.57
Gross period payroll	\$64,590.00
Number of employees	128
Payment date	29 Dec 2011

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Make a payment - confirmation

PLEASE MUM PARTNERSHIP
PFS ID: 314976

Payment to Federal Payroll Deductions - Weekly (Thres.2) -- (PD7A)

Confirmation number	8713582
Confirmation security number	979a0a435bb602ba94a864f6d7a7cc789ba86324
Pay from	10-1133685
Tax account to pay	873496319RP0001
Date payment made to employees	25 Nov 2011
Due date	05 Dec 2011
Total tax, C.P.P., E.I Remittance	\$9,252.67
Gross period payroll	\$45,672.00
Number of employees	35
Payment date	29 Dec 2011

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Make a payment - confirmation

PLEASE MUM PARTNERSHIP
PFS ID: 314976

Payment to Federal Payroll Deductions - Weekly (Thres.2) -- (PD7A)

Confirmation number	8714397
Confirmation security number	7fb197b2c6e40f8248a6ab6b3ee99b34b969a713
Pay from	10-1133685
Tax account to pay	873496319RP0001
Date payment made to employees	23 Dec 2011
Due date	05 Jan 2012
Total tax, C.P.P., E.I Remittance	\$9,967.45
Gross period payroll	\$48,927.00
Number of employees	33
Payment date	05 Jan 2012

[Make another Payment](#) [Main Menu](#) [Sign off](#)

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Make a payment - confirmation

PLEASE MUM PARTNERSHIP
PFS ID: 314976

Payment to Federal Payroll Deductions - Weekly (Thres.2) -- (PD7A)

Confirmation number	8714924
Confirmation security number	a15ae35eb27098563dd1c1alc59c405adc9aab65
Pay from	10-1133685
Tax account to pay	873496319RP0002
Date payment made to employees	30 Dec 2011
Due date	05 Jan 2012
Total tax, C.P.P., E.I Remittance	\$11,994.07
Gross period payroll	\$60,296.00
Number of employees	117
Payment date	05 Jan 2012

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Please Mum
Cash Flow Forecast to April 7, 2012

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Ending	31-Dec	7-Jan	14-Jan	21-Jan	28-Jan	4-Feb	11-Feb	18-Feb	25-Feb	3-Mar	10-Mar	17-Mar	24-Mar	31-Mar	7-Apr	
Receipts	130,320	71,429	80,952	80,952	85,714	95,238	123,810	136,190	138,095	144,762	161,905	171,429	221,905	276,190	219,048	2,137,939
Retail/Web Sales	6,516	3,571	4,048	4,048	4,286	4,762	6,190	6,810	6,905	7,238	8,095	8,571	11,095	13,810	10,952	106,897
GST Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	136,836	75,000	85,000	85,000	90,000	100,000	130,000	143,000	145,000	152,000	170,000	180,000	233,000	290,000	230,000	2,244,836
Total Receipts	136,836	75,000	85,000	85,000	90,000	100,000	130,000	143,000	145,000	152,000	170,000	180,000	233,000	290,000	230,000	2,244,836
Disbursements	96,427	74,000	45,000	39,000	56,000	37,500	56,000	44,500	56,000	45,500	58,000	45,500	56,000	45,500	56,000	808,927
Payroll & Taxes	-	-	-	-	-	38,444	-	-	-	-	20,714	-	-	-	27,143	86,301
GST	1,500	2,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	41,500
Freight	-	150,000	-	-	-	-	-	-	-	151,000	-	-	-	-	-	178,000
Store Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head Office Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Offshore Purchases	9,166	16,000	20,000	20,000	20,000	10,000	32,000	22,000	22,000	22,000	28,000	28,000	28,000	28,000	28,000	333,166
Trade Payables	-	55,000	-	-	4,688	55,000	-	-	4,688	55,000	-	46,000	4,688	-	-	280,093
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	107,093	297,000	67,000	62,000	83,688	143,944	91,000	69,500	85,688	276,500	107,714	122,500	91,688	76,500	345,143	2,026,987
Operating Cash Flow	29,743	(222,000)	18,000	23,000	6,302	(43,944)	39,000	73,500	59,302	(124,500)	62,286	57,500	141,302	213,500	(115,143)	217,849
One-Time Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Legal	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	61,320
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,320
Woodland - Environ.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,320
Total One-Time	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	172,640
Beg. Line Bal.	259,267	227,691	5,691	23,691	46,691	52,993	9,049	48,049	111,549	170,852	46,352	108,637	166,137	307,440	520,940	259,267
Net Cash Flow	(31,577)	(222,000)	18,000	23,000	6,302	(43,944)	39,000	63,500	59,302	(124,500)	62,286	57,500	141,302	213,500	(115,143)	146,529
Ending Line Bal.	227,691	5,691	23,691	46,691	52,993	9,049	48,049	111,549	170,852	46,352	108,637	166,137	307,440	520,940	405,797	405,797

Signed by:

This is Exhibit "B" referred to in the affidavit of Kathryn Adrian sworn before me at Vancouver, B.C. this 3rd day of January, 2012

[Signature]
A Commissioner for taking Affidavits for British Columbia

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Assumptions for Revised Cash Flow Model

January sales are expected to be less than originally estimated do to a lack of inventory and appropriate product mix. As a result of the lower sales levels our operating plan is to proactively contact all suppliers and manage all cash out flows. In the event sales exceed forecast we will increase our payments to suppliers

February and March sales are expected to grow for two reasons. First, consigned inventory from World Shake (consisting of Spring 2012 product will begin to arrive in the final week of January 2012. Second, sales from February to March of historically increased due to new Spring product in

- 1 Please Mum will no longer be funding any inventory deposits or purchases. World Shake has obtained a loan from a related party in order to fund the payment for inventory ordered in November and December.

Starting the week of January 23rd, World Shake will receive an order for inventory valued at US\$250,000 at vendor cost. A portion will be received by air and the balance will arrive by sea two weeks later.

Due to the receipt of the inventory sales are forecast to grow starting the week of February 4th.

- 2 Head Office Expense - Starting January 3rd, we are shutting down our shipping department at the head office and reducing staff. We will bring in staff as needed when new inventory is received.

Payroll expense will be reduced by closing the warehouse for 1 month - staff will be called back as needed.

Head office labour will be reduced with reducing one IT position and reducing payroll position to part time.

- 3 Canadian Western Bank (CWB) - We contacted CWB and are in discussions to obtain their agreement to defer mortgage payments for January 15, 2012 and February 15, 2012 to the closing date of the building sale.

01/15/2012 Deferred Payment		Interest	Principal
Mortgage - Head offic	\$ 46,000	26,781	17,662
		1,111	509
		<u>27,892</u>	<u>18,171</u>

02/15/2012 Deferred Payment		Interest	Principal
Mortgage - Head offic	\$ 46,000	26,699	17,743
		1,108	512
		<u>27,807</u>	<u>18,255</u>

- 4 We are in the process of contacting the landlord for each of the stores to discuss a possible accommodation of February rent payments to better match our forecasted cash flows

Kathryn Adrian will begin negotiations with landlords for repayment schedule of February rent. Our proposal will be to defer February rent and begin to repay with 6 equal monthly payments beginning on April 1, 2012

- 5 Profession fees and legal fees will continue to be deferred to the closing date of the building sale.

Deferred Payment

Legal & Prof Fees	\$ 360,000	estimated as per previous filed cash flow model plus an additional \$82,000
Environmental Fees	\$ 133,000	this includes charges up to January 6, 2012

- 6 Retail overhead will be reduced for January 2012.

Payroll expense will be reduced by reducing sales person hours.

- 7 Additional overhead savings.

RRSP benefit plan has been postponed for the remainder of Fiscal 2012 (\$11,000 per month savings)

Employee medical benefits have been reduced (\$5,000 per month savings)

- 8 Revised payables plan.

Original cash flow plan had \$16,000 per week budgets as payments towards payables.

January has been revised to \$20,000 per week.

February has been revised to \$22,000 per week.

March has been revised to \$28,000 per week.

- 9 Government remittances scheduled to be kept current.

December's GST remittance due on January 31, 2012 to be paid.

All payroll remittances to be kept current.

- 10 With regards to accounts payable we intend to keep all post December 6th transactions current. We have had conversations with key suppliers like Purolator to discuss payment terms that are satisfactory to them.

In addition, as cash flow permits we intend to pay all vendors owed less than approximately \$750.00 so that we can focus our discussions with vendors owed greater than \$750.00

Vendors owed less than \$750.00

Alliant Halifax	\$ 286.74	ADT Security	430.08
Fair Mall Leaseholds	46.56	BFI Canada	758.61
Morneau Shepell	432.39	Crane Worldwide Logistics	239.50
Wai Suen Sara Tang	621.15	Deal & Company Electrical	660.81
		City of Edmonton	416.00
		MTS Allstream	212.53
		Sasktel	157.36
		Telus	170.54