



No. VLC-S-B-110732
VANCOUVER REGISTRY
Estate No's 11-253244, 11-253245, and 11-253246

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF

**PLEASE MUM PARTNERSHIP
ELIA FASHIONS LTD.
BOSSA NOVA FASHIONS LTD.**

NOTICE OF APPLICATION
(ORDER FOR EXTENSION OF TIME TO FILE PROPOSAL)

APPLICANTS: PLEASE MUM PARTNERSHIP, ELIA FASHIONS LTD. AND BOSSA NOVA FASHIONS LTD. (COLLECTIVELY, "PLEASE MUM" OR "THE COMPANY")

TO: THE PARTIES LISTED ON ATTACHED **SCHEDULE "A"**

TAKE NOTICE that an application will be made by the Applicants to the presiding **Judge** at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **Friday, August 5, 2011 at 9:45 a.m.** for an Order, substantially in the draft form described in Part 1 below and such other and further relief as Counsel for the Petitioner may request and this Honourable Court deems just.

PART 1: ORDER SOUGHT

1. An Order, substantially in the draft form attached hereto as **SCHEDULE "B"** extending time for filing of a Proposal by Please Mum for a period of 45 days to September 20, 2011.

PART 2: FACTUAL BASIS

1. Please Mum Partnership is a general partnership, formed on August 5, 2011, between Elia Fashions Ltd. and Bossa Nova Fashions Ltd., both of which are privately held British Columbia Companies.
2. The Company is in a specialty retailer of high quality childrens' wear which, until its recent downsizing in past weeks, operated 90 retail stores and employed approximately 900 people throughout Canada.

3. Until recently, Please Mum had a strong record of sustained growth and profitability.
4. However, over the past two years, Please Mum has suffered financial difficulties caused by excess inventory purchases, turnover of key members of the executive management team and aggressive retail store expansion which coincided with the global recession.
5. Please Mum's expansion was largely financed by secured credit facilities granted by Royal Bank of Canada ("**RBC**"). The Company is currently indebted to RBC for approximately \$1.6 million and has attempted, unsuccessfully, over the past year to refinance this debt.
6. Due to its recent financial difficulties, Please Mum filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**") and Deloitte & Touche Inc. has been appointed as the Proposal Trustee.
7. Please Mum has been working cooperatively with the Proposal Trustee and RBC to dramatically downsize its retail operations and workforce while consolidating its inventory and
8. Following the filing of its NOI, Please Mum served notices to landlords under section 65.2 of the BIA to disclaim the leases for all of its stores, with the exception of 21 high performing stores which were retained and continue operate. Please Mum also terminated a large number of employees, reducing its workforce from approximately 900 employees to 260 employees.
9. Please Mum has transferred all of the inventory from its disclaimed stores, in part to the 21 remaining stores and the remainder to its warehouse facilities.
10. According to inventory appraisals obtained by the Company, RBC would suffer a shortfall in the event that Please Mum's inventory is liquidated in a bankruptcy. Accordingly, restructuring Please Mum as a going concern would be in the best interest of stakeholders, especially unsecured creditors, who would otherwise be expected to receive no return in a bankruptcy.
11. Please Mum has been working cooperatively with RBC and its advisors, Alvarez and Marsal, by providing requested information to RBC and agreeing to operate within the financial parameters set by RBC.
12. The indebtedness to RBC is expected to be reduced over the next 13 week period as the consolidated inventory is sold. In the meantime, the Company is working with a related entity, which owns certain lands and premises (the "**Lands**") where the Company's headquarters are located, to complete a sale of the Lands which would

see RBC paid out. The sale remains conditional upon the resolution of certain environmental issues. However, the parties are all interested in moving forward with the transaction. Each have retained environmental consultants to investigate the issues and the Company is undertaking remediation work. The time for satisfying the environmental conditions on the sale of the Land have been extended by agreement to October 28, 2011.

13. In the meantime, the Company has also been engaged in discussions with private investors, financiers and liquidators to consider debtor in possession financing to refinance the RBC debt.
14. With the assistance of the Proposal Trustee and the support of RBC, Please Mum will continue to monitor the performance of its e-commerce site and remaining 21 stores and make any other changes required to optimize its business.
15. Please Mum is seeking this 45 day extension in order to continue with the orderly downsizing and liquidation, move forward with the sale of the Property, continue discussions with interested private investors, financiers and liquidators and develop its Proposal which would preserve Please Mum as a going concern for the benefit of stakeholders.

PART 3: LEGAL BASIS

1. Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3; and
2. the inherent jurisdiction of this Honourable Court.

PART 4: MATERIAL TO BE RELIED ON

1. Pleadings and proceedings previously filed herein;
2. Affidavit #1 of Kathryn Adrian, sworn July 29, 2011;
3. The Proposal Trustee's First Report to the Court, to be filed; and
4. Such further and other evidence as may be filed.

The Petitioners estimate that the application will take **15 minutes** if unopposed.

This matter is **not** within the jurisdiction of a Master.

Date: July 29, 2011



Signature of Lawyer for Please Mum
Partnership, Elia Fashions Ltd. and
Bossa Nova Fashions Ltd.

To be completed by the Court only:

Order made

in the terms requested in paragraphs _____ of
Part 1 of this Notice of Application

with the following variations and additional terms:

Date:

Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

SCHEDULE "A" – SERVICE LIST

DISTRICT OF BRITISH COLUMBIA
DIVISION NO.: 03-VANCOUVER
COURT NO.: 11-253244
ESTATE NO.: 11-253244

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
PLEASE MUM PARTNERSHIP**

INSOLVENT PERSON

<p>Fraser Milner Casgrain LLP 250 Howe Street, 20th Floor Vancouver, BC V6C 3R8</p> <p>Attention: John Sandrelli/Cindy Cheuk</p> <p>Telephone: (604) 443-7132 (J. Sandrelli) (604) 691-6463 (C. Cheuk) Facsimile: (604) 683-5214 Email: john.sandrelli@fmc-law.com/ cindy.cheuk@fmc-law.com</p> <p>cc: Kelly Tsang – Kelly.tsang@fmc-law.com cc: Robin Peardon – robin.peardon@fmc-law.com cc: F. Thibodeau – fran.thibodeau@fmc-law.com</p> <p><i>Counsel for the Insolvent Person</i></p>	<p>Deloitte & Touche Inc. P.O. Box 49279 #2800 – 1055 Dunsmuir Street Vancouver B.C. V7X 1P4</p> <p>Attention: Huey Lee</p> <p>Telephone: (604) 640-3060 Facsimile: (604) 899-2950 Email: huelee@deloitte.ca</p> <p><i>Trustee of the Insolvent Person</i></p>
<p>Alvarez & Marsal Canada ULC #1680 – 400 Burrard Street Vancouver, B.C. V6C 3A6</p> <p>Attention: Todd Martin/Pam Boparai</p> <p>Telephone: (604) 638-7445 (T. Martin) (604) 443-5030 (P. Boparai) Facsimile: (604) 638-7441 Email: tmartin@alvarezandmarsal.com/ pboparai@alvarezandmarsal.com</p> <p><i>Consultant to the Royal Bank of Canada</i></p>	<p>Fasken Martineau DuMoulin LLP #2900 – 550 Burrard Street Vancouver, B.C. V6C 0A3</p> <p>Attention: Brent Lewis/John Grieve</p> <p>Telephone: (604) 631-4889 (B. Lewis) (604) 631-4772 (J. Grieve) Facsimile: (604) 632-4889 Email: blewis@fasken.com/ jgrieve@fasken.com</p> <p><i>Counsel for the Royal Bank of Canada</i></p>

SCHEDULE "A" – SERVICE LIST

<p>British Columbia Office of the Superintendent of Bankruptcy 300 Georgia Street W, Suite 2000 Vancouver, British Columbia V6B 6E1</p> <p>Tel.: 1-877-376-9902 (toll free) Fax: 604-666-4610</p>	
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SCHEDULE "B"

No. VLC-S-B-110732
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ORDER

BEFORE THE HONOURABLE

FRIDAY, THE 5th DAY OF
AUGUST 2011

THE APPLICATION of Please Mum Partnership, Elia Fashions Ltd. and Bossa Nova Fashions Ltd. (collectively, "**Please Mum**"), coming on for hearing on August 5, 2011 and on hearing Cindy Cheuk, counsel for Please Mum, and no one else appearing, although duly served, and upon reading the materials filed herein including the Notice of Application, dated July 29, 2011, the Affidavit #1 of Kathryn Adrian, sworn July 29, 2011 and the First Report of Deloitte & Touche Inc., the Proposal Trustee, filed herein;

THIS COURT ORDERS that:

1. The time for the filing of a Proposal by Please Mum under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, be and the same is

SCHEDULE "B"

hereby extended pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act* for a period of 45 days being until September 20, 2011.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED AS BEING BY CONSENT.

BY THE COURT

DISTRICT REGISTRAR

APPROVED AS TO FORM:

*Counsel for Please Mum Partnership,
Elia Fashions Ltd. and Bossa Nova Fashions Ltd.*