

SCHEDULE "B"

NOTICE TO CREDITORS

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

AND

IN THE MATTER OF BACKBAY RETAILING CORPORATION AND
GRAY'S APPAREL COMPANY LTD.

(Collectively the "Petitioners")

TAKE NOTICE that by Order of the Supreme Court of British Columbia dated May 30, 2008 the Petitioners have been directed to solicit claims from all Creditors for the purpose of determining which Creditors will be entitled to vote on and participate in the Plan of Arrangement filed by the Petitioners in the proceedings commenced under the CCAA in Supreme Court of British Columbia Action No. S080752.

In order to participate in any voting or distribution associated with the Plan or the CCAA proceedings, any party having a claim against the Petitioners or any of them must deliver to the Petitioners a Proof of Claim form on or before the **Claims Bar Date of 5:00 p.m.** (Vancouver time) on July 15, 2008.

A Proof of Claim form may be obtained by contacting Kwame Moloko at the Petitioners' office at (604) 640-4903.

The Claims Bar Date for filing Proofs of Claims is July 15, 2008; all claims are to be filed by this date.