

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 MAKE A 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 **Honourable Mr. Justice Burnyeat** the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **Tuesday, September 20, 2011 at 9:00 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 November 4, 2011.

PART 2: FACTUAL BASIS

1. On July 7, 2011, Please Mum filed a Notice of Intention to Make a Proposal ("**NOI**") under section 50.4 of the *Bankruptcy and Insolvency Act*. Deloitte & Touche Inc. was appointed as the Proposal Trustee of the Company (the "**Proposal Trustee**").

2. On August 5, 2011, the Company obtained an Order from this Court, extending the time to file a Proposal to September 20, 2011.

3. Since then, the Company has continued to work cooperatively with Royal Bank of Canada (“RBC”) to substantially reduce the balance owing on its secured credit facility and with the Proposal Trustee to continue the orderly downsizing of its retail operations and the consolidation of its inventory.

Working with RBC

4. A copy of the Company’s cash flow is attached to the Proposal Trustee’s Second Report to the Court.

5. At the end of July 2011, approximately \$1.6 million was owed to RBC. As of the date of my Affidavit, the RBC indebtedness has been substantially reduced to approximately \$750,000 through the sale of Please Mum’s consolidated inventory and dramatic reduction in operating costs.

6. Please Mum has continued to work cooperatively with RBC and its advisors, Alvarez and Marsal, by providing RBC with requested information and continuing to operate within financial parameters required by RBC.

7. There is a pending sale of property located at 330 Woodland Drive, Vancouver (the “Property”) for \$13.35 million, owned by a related entity. RBC holds collateral security over the Property and the sale of the Property is expected to generate more than sufficient proceeds to repay the Company’s debt to RBC.

8. The purchase and sale agreement for the Property remains conditional upon the resolution of certain environmental issues. The Company and the related owner have continued to work with the purchaser and their respective environmental consultants have delineated the environmental issues. The testing and remediation work is proceeding favourably, with a view to obtaining approval from the Ministry of the Environment within approximately 90 days so that the remaining subjects to the purchase and sale agreement can be satisfied.

9. Once the sale of the Property is complete, it is anticipated that RBC will be fully paid out.

Further Downsizing of Retail Operations

10. After filing its NOI, Please Mum took immediate steps to drastically reduce its 90 retail stores by issuing notices to landlords pursuant to section 65.2 of the *Bankruptcy and Insolvency Act* to disclaim all of its retail leases except for 21 stores.

11. In order to further reduce its operating costs and optimize the complement of inventory in stores remaining open, Please Mum disclaimed a further eight stores which were closed on August 29, 2011.

12. The downsizing of Please Mum's retail operations has been relatively smooth and there have not been any significant landlord issues other than certain landlords contacting Please Mum to make demand for rents payable during the 30 day disclaimer period.

13. Please Mum, through counsel, has written to those landlords to inform them that Please Mum is not in a position at this time to pay those rents and that the Company is hopeful that this can be addressed in a Proposal.

Further Downsizing of Labour Force

14. On July 8, 2011, Please Mum reduce its labour force from approximately 900 employees to approximately 240 employees working at its head office, warehouse and retail operations.

Since then, Please Mum has further reduced its operating costs by terminating a further 72 employees which were no longer required with the closure of the further eight stores at the end of August 2011.

Please Mum Gift Cards

15. Due to its financial difficulties, Please Mum is not in a position to permit the redemption of any gift cards.

16. In order to minimize the number of customers affected, immediately after the filing of its NOI, Please Mum stopped selling gift cards in its retail stores and e-commerce site and directed its exclusive gift card distributor to do the same. Please Mum ensured that all gift cards were removed from its retail stores and I am

advised by Please Mum's gift card distributor that no gift cards could or have been sold through the distributor since 12:00 am on July 10, 2011.

17. Please Mum, through its counsel, has been corresponding with Consumer Protection BC ("**Consumer Protection**") and informed Consumer Protection that it has stopped selling gift cards and that it is unfortunately not able at this time to permit the redemption of any previously purchased gift cards. These discussions with Consumer Protection remain ongoing.

18. Through its counsel, Please Mum has been providing Consumer Protection with requested information and Please Mum is hopeful that the claims of gift card holders can be addressed through its Proposal.

Extension

19. Please Mum is seeking this further 45 day extension in order to continue with the liquidation of its inventory, 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 its stakeholders.

PART 3: LEGAL BASIS

1. Section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3
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 September 14, 2011;
3. The Proposal Trustee's Second 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 **60 minutes** if unopposed.

This matter is **not** within the jurisdiction of a Master. **The Honourable Mr. Justice Burnyeat is seized of this matter.**

Date: September 14, 2011



Signature Petitioners' Lawyer

To be completed by the Court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
<input type="checkbox"/>	with the following variations and additional terms:

Date:	_____
	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> 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)</p> <p>Facsimile: (604) 683-5214</p> <p>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</p> <p>Facsimile: (604) 899-2950</p> <p>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)</p> <p>Facsimile: (604) 638-7441</p> <p>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)</p> <p>Facsimile: (604) 632-4889</p> <p>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>	<p>Deloitte & Touche Inc. 2800 - 1055 Dunsmuir St, Vancouver, BC, V7X 1P4 Attention: John Somerville</p> <p>Direct 604-640-3210 Fax 604-899-8159 Email: jsomerville@deloitte.ca</p> <p>Proposal Trustee</p>
<p>McLean & Kerr LLP Suite 2800 130 Adelaide Street West Toronto, ON V5H 3P5</p> <p>Attention: Linda Galessiere Phone: 416-369-6609 Fax: 416 366 8571 Email: lgalessiere@mcleankerr.com</p> <p>Attention: Wally Stevenson Phone: 416.369.6602 Fax: 416 366 8571 Email: wstevenson@mcleankerr.com</p> <p>cc: Phil Harris at Ivanhoe pharris@ivanhoecambridge.com</p> <p><i>Counsel for: Ivanhoe Cambridge Inc., 20 VIC Management Inc (on behalf of OPB Realty Inc. and Lansdowne Mall Inc.), Morguard Investments Limited, Retrocom Mid Market REIT, Crombie Real Estate Investment Trust and Primaris Retail Real Estate Investment Trust</i></p>	<p>Lawson Lundell LLP 1600 – 925 West Georgia Street Vancouver BC V6C 3L2</p> <p>Attention: Michael Morgan Phone: 604 685 3456 Fax: 604 669 1620 Email: mmorgan@lawsonlundell.com</p> <p>cc Email: wroberts@lawsonlundell.com</p> <p><i>Counsel for Shape Properties (Lougheed) Ltd. and Shape Properties (Brentwood) Ltd.</i></p>
<p>Ivanhoe Cambridge Inc. 95 Wellington Street West, Suite 300 Toronto ON M5J 2R2</p> <p>Attention: Kari Kim – Gallately (Solicitor - Legal Affairs – Western Region)</p> <p>Phone: 416 369 1200 Fax: 416 369 1327 Email: kkim@ivanhoecambridge.com</p> <p><i>Internal Counsel for Ivanhoe Cambridge Inc.</i></p>	<p>Fernandes Hearn LLP 155 University Ave Suite 700 Toronto ON M5H 3B7</p> <p>Attention: David Huard Phone: 416 203 9500 Fax: 416 203 9444 Email: david@fernandeshearn.com</p> <p><i>Counsel for Creditors, Tianjin Garment Import & Export Co. Ltd., Jiangsu Guotai International Group Winsum Imp. & Exp. Co. Ltd., China Jiangsu Machinery & Equipment Import & Export Group Corp., Ningbo Original Textile & Apparel Co. Ltd. and Quik-X Transportation Inc.</i></p>

SCHEDULE "A" – SERVICE LIST

<p>Blakes 595 Burrard Street PO Box 49314 Suite 2600, Three Bentall Centre Vancouver, BC V7X 1L3</p> <p>Attention: Peter Rubin</p> <p>Phone: 604-631-3315 Fax: 604-631-3309 Email peter.rubin@blakes.com</p> <p><i>Counsel for : Experian Marketing Solutions Inc</i></p>	
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SCHEDULE "B"

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.

ORDER

BEFORE THE HONOURABLE
MR. JUSTICE BURNEYAT

TUESDAY, THE 20th DAY OF
SEPTEMBER 2011

THE APPLICATION of Please Mum Partnership, Elia Fashions Ltd. and Bossa Nova Fashions Ltd. (collectively, "**Please Mum**"), coming on for hearing on September 20, 2011 and on hearing John Sandrelli, counsel for Please Mum and the counsel listed in the attached **Schedule "A"**, and upon reading the materials filed herein including the Notice of Application, dated September 14, 2011, the Affidavit #2 of Kathryn Adrian, sworn September 14, 2011 and the Second Report of Deloitte & Touche Inc., the Proposal Trustee herein;

SCHEDULE "B"

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, as extended by the Order made herein August 5, 2011, be further extended pursuant to section 50.4(9) of the BIA for a further period of 45 days being until November 3, 2011.
2. Notwithstanding paragraph 1 of this Order, Royal Bank of Canada, upon giving no less than two clear days notice to Please Mum or such lesser amount of notice as this Court may order, shall not be bound by the stay of proceedings pursuant to section 69(1) of the BIA during the period of the extension.

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.*

SCHEDULE "B"

SCHEDULE "A"

LIST OF COUNSEL APPEARING

Counsel:	Appearing For: