

NO. _____
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

PETITION TO THE COURT

The Petitioners claim the right to serve this petition on those creditors, shareholders or other interested parties of the Petitioners, and each of them, outside British Columbia pursuant to Rule 4-5(1) and 4-5(2) of the *Supreme Court Civil Rules* and section 10(h) of the *Court Jurisdiction and Proceedings Transfer Act* on the ground that the Petitioners carry on business in British Columbia.

This proceeding has been started by the Petitioners for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a Response to Civil Claim in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the Petitioners
 - (i) 2 copies of the filed Response to Petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for Response to Petition

A Response to Petition must be filed and served on the Petitioners,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed Petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed Petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed Petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is: The Law Courts 800 Smithe Street Vancouver, British Columbia V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the Petitioners is: 20 th Floor, 250 Howe Street Vancouver, BC V6C 3R8 Fax number address for service (if any) of the Petitioners: 604-683-5214 E-mail address for service (if any) of the Petitioners: <u>john.sandrelli@fmc-law.com</u> and <u>cindy.cheuk@fmc-law.com</u>
(3)	The name and office address of the Petitioners' lawyer is: John R. Sandrelli / Cindy Cheuk Fraser Milner Casgrain LLP 20 th Floor, 250 Howe Street Vancouver, BC V6C 3R8

CLAIM OF THE PETITIONERS

Part 1: ORDER(S) SOUGHT

The Petitioners claim the right to serve this Petition on any interested party on the grounds that the proceedings concern a business carried on in British Columbia.

The Petitioners apply to this Court the Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C – 36, as amended (the “**CCAA**”) and the *Business Corporations Act*, S.B.C. 2002, c. 57 (the “**BCA**”) for:

1. a Declaration that the Petitioners are corporations to which the CCAA and the BCA apply;
2. a Declaration that, although not a Petitioner, Please Mum Partnership (the “**Partnership**”) shall enjoy the benefit of the protections of and authorizations provided by the Initial Order;
3. an Order, pursuant to section 11.6 of the CCAA, that the proceedings commenced under Part III of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the “**BIA**”), in Supreme Court of British Columbia Vancouver Registry No. VLC-S-B-110732 (the “**BIA Proceeding**”), be continued herein under the CCAA;
4. an Order authorizing and permitting the Petitioners and the Partnership (collectively, “**Please Mum**”) to file with this Court a formal plan or plans of compromise or arrangement between Please Mum and its creditors (the “**Plan**”) pursuant to the provisions of the CCAA and, if applicable, the BCA, at such time as may be directed by the Court;
5. an Order that, upon filing of the Plan, Please Mum shall call a meeting (the “**Meeting**”) of the affected classes of their creditors to vote upon the Plan;
6. an Order that, until further order of this Court, all proceedings against Please Mum be stayed, and Please Mum’s operations be carried out in accordance with

the express terms of the draft Initial Order (attached to this Petition as **Schedule "A"**), with liberty to seek to extend the terms of such Initial Order at the hearing of the Petition;

7. an Order that Please Mum be at liberty to serve all pleadings and notices and related materials (including the Plan) in this proceeding on any of their creditors by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, fax transmission or email to Please Mum's creditors at their respective addresses as last shown on the records of Please Mum, and any such service or notice by courier, personal delivery, fax transmission or email 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, and that the time for filing a Response to Petition by persons outside of British Columbia be abridged to 14 days;

8. such directions as may be required from time to time respecting the presentation of the Plan to the Creditors of Please Mum and, if subsequently required, a proof of claim process, conduct of the Meeting and related matters;

9. an Order defining the classes of creditors of Please Mum for the purposes of meetings with respect to, and voting upon, the Plan;

10. an Order sanctioning and approving the Plan with such amendments as may be proposed by the creditors of Please Mum and approved by Please Mum or as may be proposed by the Petitioners;

11. an Order granting an Administration Charge, DIP Lender's Charge and Director and Officer Indemnification charge over the assets of Please Mum;

12. An Order permitting Please Mum to apply for and obtain Debtor in Possession financing in an amount, with the priority and on terms to be determined by the Court;

13. an Order that the Orders in these proceedings shall have full force and effect in all provinces and territories of Canada and any other foreign country where creditors of Please Mum are domiciled; and

14. such further and other Orders as this Honourable Court may deem proper under the circumstances,

as more particularly set out in the draft form of Initial Order attached hereto as **Schedule "A"**.

Part 2: FACTUAL BASIS

The Petitioners

1. Each of the Petitioners, Elia Fashions Ltd. ("**Elia**") and Bossa Nova Fashions Ltd. ("**Bossa Nova**"), are privately held companies incorporated pursuant to the laws of British Columbia, having their registered and records offices located at 1810-1111 West Pender Street, Vancouver, B.C., V6E 4M3.

The Partnership

2. Please Mum Partnership (defined above as the "**Partnership**") was established on August 5, 2001 as a general partnership between Elia and Bossa Nova.

3. Elia, Bossa Nova and the Partnership (defined above collectively as "**Please Mum**") are in the business of designing, contracting to manufacture and retailing high quality children's wear.

4. Kathryn Adrian is the founder and Chief Executive Officer of Please Mum. Ms. Adrian controls Please Mum through a majority ownership of World Shake Productions Inc. which owns 100% of Elia. In turn, Elia owns 100% of Bossa Nova.

Recent Developments and the BIA Proceeding

5. After many years of sustained growth and profitability, Please Mum suffered substantial financial set backs in the past two years which led to Please Mum's difficult decision to file a Notice of Intention to Make a Proposal under section 50.4 of the BIA, on July 7, 2011 and commence proceedings the BIA Proceeding. Deloitte & Touche Inc. ("**Deloitte**") was appointed as the Proposal Trustee for Please Mum.

6. Since commencing the BIA Proceeding, Please Mum has worked with Deloitte to restructure its business by consolidating and liquidating Please Mum's inventory while dramatically reducing Please Mum's retail footprint and work force.

0710345 B.C. Ltd. and the Property

7. Please Mum's expansion in past years had largely been financed by Kathryn Adrian and by secured credit facilities granted by Royal Bank of Canada ("**RBC**"). In October 2011, Please Mum successfully refinanced the RBC debt with 0710345 B.C. Ltd. ("**071**").

8. 071 is a British Columbia company which is related to Please Mum. As part of the refinancing of the RBC debt, 071 has taken an assignment of certain security previously pledged by Please Mum to RBC.

9. 071 is the registered owner of lands located at 333 Woodland Drive, Vancouver, B.C. (the "**Property**"), where Please Mum's headquarters are located.

10. Throughout the BIA Proceeding, Please Mum has worked with 071 to move forward with the pending sale of the Property to a certain purchaser (the "**Purchaser**") for the price of \$13.35 million pursuant to a purchase and sale agreement (the "**Sale Agreement**"), dated April 4, 2011. It has been the intention of Please Mum and 071, throughout the BIA proceeding, to sell or refinance the Property in order for 071 to raise funds to assist, if feasible, in the recapitalization and restructuring of Please Mum's business.

11. The Sale Agreement is conditional upon the resolution of certain environmental issues. The Purchaser and 071 have agreed that if a certificate of compliance issued by the Province of British Columbia Ministry of Environment is not delivered by 071 to the Purchaser by February 29, 2012, then upon either party's election, made by notice in writing to the other, the Sale Agreement shall terminate. The Purchaser and 071 have further agreed that the Purchaser shall have 10 business days from receipt of the certificate of compliance and the Federal Risk Assessment to provide written notice of waiver or satisfaction of the environmental condition remaining under the Sale Agreement.

12. The environmental consultants engaged by the Purchaser and the environmental consultants engaged by 071 are continuing to work on the resolution of the environmental issues in relation to the Sale Agreement to complete the sale of the Property within approximately 60 to 90 days.

Continuation of the BIA Proceeding under the CCAA

13. Please Mum submits that it is appropriate for this Honourable Court to continue its restructuring under the CCAA. Please Mum further submits that it is appropriate to grant the Initial Order under the CCAA, which has as its objectives the facilitation of restructuring and the continuing of the debtor company as a going concern.

14. The CCAA applies in respect of an insolvent debtor company with total claims of more than \$5 million.

15. Please Mum is insolvent and does not have sufficient capital to meet its current obligations. Both of the Petitioners are companies incorporated pursuant to the BCA and both of the Petitioners have more than \$5 million in debt and are therefore "Debtor Companies" within the meaning of the CCAA.

16. The Partnership has more than \$5 million in debt. The Petitioners are the partners comprising the Partnership and their business is so closely connected to and entwined with the Partnership that the Petitioners submit that it is appropriate for the Partnership to be entitled to the protections of and authorizations provided by the Initial Order.

17. Pursuant to Orders granted in the BIA Proceeding, the time for Please Mum to file a Proposal has been extended to December 6, 2011 at 4:00 pm.

18. Pursuant to section 50.4(9) of the BIA, the Court is unable to grant any extensions of time to file a Proposal which will extend beyond January 7, 2012 and if a Proposal is not filed by that date, Please Mum will be deemed bankrupt in the BIA Proceeding.

19. 071 will not have sufficient time to complete the sale of the Property by January 7, 2012.

20. The sale proceeds of the Property are essential to Please Mum's ability to complete the final steps of its restructuring. The Petitioners propose to continue the restructuring under the CCAA to seek the necessary relief for Please Mum pursuant to the Initial Order and extensions thereof, in order to provide 071 with sufficient time to

complete the sale of the Property and generate sale proceeds to assist, if feasible, in Please Mum's restructuring.

21. Please Mum hopes to be in a position to file a Plan for consideration by its various classes of creditors in order to permit Please Mum an opportunity to restructure its affairs pursuant to the CCAA.

22. The employees, existing landlords, suppliers, customers and other stakeholders of Please Mum will derive a greater benefit from such a restructuring of Please Mum under the CCAA than will result from the bankruptcy, receivership or liquidation of Please Mum's assets.

23. In advance of filing a Plan and the further restructuring of its affairs, Please Mum is in need of an Initial Order from this Honourable Court, substantially in the form attached as **Schedule "A"** to this Petition, providing *inter alia*:

- (a) a stay of proceedings;
- (b) the power to remain in possession and control of their assets;
- (c) the appointment of a Monitor; and
- (d) such further and other relief described in the draft Initial Order attached hereto.

Part 3: LEGAL BASIS

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C – 36,
2. *Business Corporations Act*, S.B.C. 2002, c. 57,
3. Rules 2-1(2), 4-4, 4-5(1), 4-5(2), 8-1, 8-2, 16-1, 22-1, and 22-4 of the *Supreme Court Civil Rules of Court* and the inherent jurisdiction of this Court.

Part 4: MATERIALS TO BE RELIED ON

1. Affidavit #1 of Kathryn Adrian, sworn November 29, 2011.
2. Affidavit #1 of Fran Thibodeau, sworn November 28, 2011

The Petitioners estimate that the hearing of the Petition will take 2.5 hours.

Date: November 29, 2011

Caray Clark
for: Signature of Lawyer for Petitioners,
John R. Sandrelli

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of
Part 1 of this Petition

with the following variations and additional terms:

Date: _____

Signature of Judge Master

SCHEDULE "A" TO PETITION

No. _____
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**

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

INITIAL ORDER

BEFORE THE HONOURABLE
MR. JUSTICE BURNYEAT

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TUESDAY, the 6th DAY OF
DECEMBER 2011

THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 6th day of December, 2011 (the "**Order Date**"); AND ON HEARING John R. Sandrelli and Cindy Cheuk, counsel for the Petitioners and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the First Affidavit of Kathryn Adrian sworn November 29, 2011, the First Affidavit of Fran Thibodeau, sworn November 28, 2011 and the consent of Deloitte & Touche Inc. to act as Monitor; AND UPON BEING ADVISED that the secured creditors and others who are likely to be affected have been given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

JURISDICTION

1. The Petitioners, Elia Fashions Ltd. ("**Elia**") and Bossa Nova Fashions Ltd. ("**Bossa Nova**"), are companies to which the CCAA applies.
2. The business of Elia and Bossa Nova are so closely connected and intertwined with Please Mum Partnership (the "**Partnership**") that, although not a Petitioner, the Partnership shall enjoy the benefit of the protections of and the authorizations provided by this Initial Order.
3. The proceedings commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") in Supreme Court of British Columbia Vancouver Registry No. VLC-S-B-110732 (the "**BIA Proceeding**") by Elia, Bossa Nova and the Partnership (collectively, "**Please Mum**") as Petitioners, be continued herein, pursuant to section 11.6 of the CCAA.

SUBSEQUENT HEARING DATE

4. The hearing of the Please Mum's application for an extension of the Stay Period (as defined in paragraph 19 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at [REDACTED] .m. on [REDACTED], the [REDACTED] day of [REDACTED], 201[REDACTED] or such other date as this Court may order.

PLAN OF ARRANGEMENT

5. Please Mum shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").
6. Please Mum shall not make any payments to unsecured creditors under any Plan filed herein until Please Mum has paid in full all amounts owing to landlords of retail premises disclaimed by Please Mum pursuant to section 65.2 of the BIA on account of arrears of unpaid

rents for the period of July 7, 2011 to the expiry date of the applicable notice period under section 65.2 of the BIA in respect of such premises.

POSSESSION OF PROPERTY AND OPERATIONS

7. Subject to this Order and any further Order of this Court, Please Mum shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. Please Mum shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

8. Please Mum shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and
- (b) the fees and disbursements of any Assistants retained or employed by Please Mum which are related to Please Mum's restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by Please Mum, whenever and wherever incurred, in respect of:
 - (i) these proceedings, the BIA Proceeding or any other similar proceedings in other jurisdictions in which Please Mum or any subsidiaries or affiliated companies of Please Mum are domiciled;
 - (ii) any litigation in which Please Mum is named as a party or is otherwise involved, whether commenced before or after the Order Date; and

- (iii) any related corporate matters.
- (c) with the written consent of the Monitor, those creditors who are determined by Please Mum and the Monitor to be critical to the ongoing Business of Please Mum on the following terms:
- (i) pay the entire amount of Please Mum's obligations to any creditor if the amount of such obligations, as agreed between Please Mum and the creditor, is \$2,000 or less as at the Order Date;
 - (ii) pay \$2,000 to any creditor to which the outstanding obligations of Please Mum are greater than \$2,000 as at the Order Date, provided that such creditor agrees to accept that amount in full satisfaction of all obligations of Please Mum to such creditor as at the Order Date;
 - (iii) pay any such lesser amount as may be required to maintain supply or services for Please Mum; or
 - (iv) pay such other amount as may be authorized by further Order of this Court;

9. Except as otherwise provided herein, Please Mum shall be entitled to pay all expenses reasonably incurred by Please Mum in carrying on the Business in the ordinary course following July 7, 2011, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditure reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$10,000 shall be approved by the Monitor;
- (b) all obligations incurred by Please Mum after July 7, 2011, including without limitation, with respect to goods and services actually supplied to Please Mum following July 7, 2011 (including those under purchase orders outstanding at the July 7, 2011 but excluding any interest on Please Mum's obligations incurred prior to July 7, 2011); and

- (c) fees and disbursements of the kind referred to in paragraph **8(b)** which may be incurred after the Order Date.

10. Please Mum is authorized to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by Please Mum in connection with the sale of goods and services by Please Mum, but only where such Sales Taxes accrue or are collected after July 7, 2011, or where such Sales Taxes accrued or were collected prior to July 7, 2011 but not required to be remitted until on or after July 7, 2011; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

11. Until such time as a real property lease is disclaimed in accordance with the CCAA, Please Mum shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between Please Mum and the landlord from time to time ("**Rent**").

12. Except as specifically permitted herein, Please Mum is hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by Please Mum to any of its creditors as of July 7, 2011 except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by Please Mum to such customers as of July 7, 2011; and
- (e) to not incur liabilities except in the ordinary course of Business.

13. Notwithstanding paragraph 12(c) of this Order, Please Mum may, with the consent of the Monitor, grant a purchase money security interest to any consignor in relation to any goods consigned by such consignor to Please Mum.

FINANCIAL ARRANGEMENTS

14. Notwithstanding any other provision in this Order:

- (a) Please Mum is hereby authorized and empowered to borrow, repay and reborrow from its lenders (the "**Lenders**") such amounts from time to time as Please Mum considers necessary, and the Lenders shall be entitled to revolve their operating loan facilities (the "**Lender Loan Facilities**") and collect interest, fees and costs on the Lender Loan Facilities, subject to such amendments as are agreed between the Lender and Please Mum;

- (b) to the extent that any Lender Loan Facilities are secured, such Lender Loan Facilities shall be secured by the same charge (the "**Lender Charge**") as secured the Lender Loan Facility as at the Order Date; and
- (c) Please Mum is authorized to deal with any Lender in respect of the Lender Loan Facility on such terms as may be negotiated and agreed upon between Please Mum and the Lender.

RESTRUCTURING

15. Subject to such requirements as are imposed by the CCAA, Please Mum shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate];
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate]; and
- (c) pursue all avenues of refinancing for its Business or Property, in whole or part;

all of the foregoing to permit Please Mum to proceed with an orderly restructuring of the Business (the "**Restructuring**").

16. Please Mum shall provide each of the relevant landlords with notice of Please Mum's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes Please Mum's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and Please Mum, or by further Order of this Court upon application by Please Mum, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If Please Mum disclaims the lease governing such leased premises in accordance with Section 32 of the

CCAA, it shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to Please Mum's claim to the fixtures in dispute.

17. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving Please Mum and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against Please Mum, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify Please Mum of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

18. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the "**Relevant Enactment**"), Please Mum, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with Please Mum, binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to Please Mum or destroy it. If the Third Parties acquire personal information as

part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by Please Mum.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

19. Until and including [REDACTED] **[MAX. 30 DAYS FROM ORDER DATE]**, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") in respect of any claim or obligation arising prior to the Order Date against or in respect of Please Mum, or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of Please Mum and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of Please Mum or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

20. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") in respect of any claim or obligation arising prior to the Order Date, against or in respect of Please Mum or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of Please Mum and the Monitor or leave of this Court.

21. Nothing in this Order, including paragraphs **[19]** and **[20]**, shall: (i) empower Please Mum to carry on any business which Please Mum is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on Please Mum.

NO INTERFERENCE WITH RIGHTS

22. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Please Mum, except with the written consent of Please Mum and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

23. During the Stay Period, all Persons having oral or written agreements with Please Mum or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or Please Mum, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by Please Mum, and that Please Mum shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by Please Mum in accordance with normal payment practices of Please Mum or such other practices as may be agreed upon by the supplier or service provider and Please Mum and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

24. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to Please Mum on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

25. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of Please Mum with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of Please Mum whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of Please Mum, if one is filed, is sanctioned by this Court or is refused by the creditors of Please Mum or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of Please Mum that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

26. Please Mum shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of Please Mum after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. The directors and officers of Please Mum shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000 as security for the indemnity provided in paragraph [26] of this Order. The Directors' Charge shall have the priority set out in paragraphs [38] and [40] herein.

28. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) Please Mum's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy,

or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [26] of this Order.

APPOINTMENT OF MONITOR

29. Deloitte & Touche Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of Please Mum with the powers and obligations set out in the CCAA or set forth herein, and that Please Mum and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by Please Mum pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

30. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor Please Mum's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise Please Mum in its development of the Plan and any amendments to the Plan;
- (d) assist Please Mum, to the extent required by Please Mum, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of Please Mum to the extent that is necessary to adequately assess Please Mum's business and financial affairs or to perform its duties arising under this Order;

- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

31. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

32. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. The Monitor shall provide any creditor of Please Mum with information provided by Please Mum in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that

the Monitor has been advised by Please Mum is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and Please Mum may agree.

34. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

35. The Monitor, counsel to the Monitor, if any, and counsel to Please Mum shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Please Mum as part of the cost of these proceedings. Please Mum is hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to Please Mum on a periodic basis and, in addition, Please Mum is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to Please Mum, retainers in such amounts as may be agreed between Please Mum and its counsel, and between Please Mum and the Monitor and the Monitor's counsel, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

36. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court and may be heard on a summary basis.

37. The Monitor, counsel to the Monitor, if any, and counsel to Please Mum shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000 as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to Please Mum's restructuring which, for greater clarity, shall include the respective fees and disbursements incurred in relation to the BIA Proceeding. The Administration Charge shall have the priority set out in paragraphs [38] and [40] hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. The priorities of the Administration Charge and the Directors' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000);

Second - Directors' Charge (to the maximum amount of \$150,000)

39. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

40. Each of the Administration Charge and the Directors' Charge (all as constituted and defined herein) shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person.

41. Except as otherwise expressly provided herein, or as may be approved by this Court, Please Mum shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless Please Mum obtains the prior written consent of the Monitor, and the beneficiaries of the Administration Charge and the Director's Charge.

42. The Administration Charge and the Director's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances,

contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds Please Mum; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall create or be deemed to constitute a breach by Please Mum of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting the creation of the Charges; and
- (c) the payments made by Please Mum pursuant to this Order and the granting of the Charges by Please Mum do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in Please Mum's interest in such real property leases.

SERVICE AND NOTICE

44. The Monitor shall (i) without delay, publish in the Vancouver Sun and the Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against Please Mum of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. Please Mum and the Monitor are at liberty to serve 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 electronic transmission to Please

Mum's creditors or other interested parties at their respective addresses as last shown on the records of Please Mum and that any such service or notice by courier, personal delivery or electronic 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.

46. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: www.deloitte.com/ca/please-mum

47. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: www.deloitte.com/ca/please-mum

48. Notwithstanding paragraphs [46] and [47] of this Order, service of the Petition, the Notice of Hearing of Petition, the Affidavit #1 of Kathryn Adrian, the Affidavit #1 of Fran Thibodeau, this Order and any other pleadings in this proceeding (collectively, the "**Materials**"), shall be made on the federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

49. Please Mum or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

50. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of Please Mum, the Business or the Property.

51. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative

tribunal of any Federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Please Mum and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist Please Mum and the Monitor and their respective agents in carrying out the terms of this Order.

52. Each of Please Mum and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of Please Mum 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.

53. Please Mum may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when Please Mum determines that such a filing is appropriate.

54. Please Mum is hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

55. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

56. Any interested party (including Please Mum and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and 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.

57. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

58. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

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

Signature of
 Party Lawyer for the Petitioners

John R. Sandrelli

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)