

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-052159-171

SUPERIOR COURT
(Commercial Division)

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

BCBG Max Azria Canada Inc.

Debtor / Petitioner

-and-

Deloitte Restructuring Inc.

Trustee

APPLICATION FOR EXTENSION OF TIME TO FILE A PROPOSAL
(Section 50.4(9) of the *Bankruptcy and Insolvency Act*,
RSC 1985, c B-3, as amended)

TO ONE OF THE HONOURABLE JUDGES OR TO THE REGISTRAR OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY SUBMIT AS FOLLOWS:

1. The Debtor/Petitioner BCBG Max Azria Canada Inc. ("**BCBG Canada**") is a company governed by the *Canada Business Corporations Act*, RSC 1985, c C-44 and an indirect wholly-owned subsidiary of BCBG Max Azria Global Holdings, LLC ("**BCBG Global Holdings**"), a Delaware corporation.
2. BCBG Canada is the Canadian operating entity of the BCBG Max Azria group of companies (the "**BCBG Group**"), a fashion design, wholesale and retail conglomerate founded in 1989 and headquartered in California. The BCBG Group has retail operations across the United States, Europe, Japan and Canada.
3. BCBG Canada operates its retail business from a total of 51 retail and factory stores in Québec, Ontario, British Columbia, Alberta, Manitoba and Nova Scotia (the "**Stores**"). In addition, it operates 17 licensed departments within Hudson's Bay Company ("**HBC**") retail locations in Canada (the "**Partner Shops**").
4. On February 28, 2017, BCBG Global Holdings and certain of its United States affiliates commenced proceedings under Chapter 11 of the Bankruptcy Code (the "**Chapter 11 Proceedings**") before the United States Bankruptcy Court for the Southern District of New York.

5. On March 1, 2017, BCBG Canada filed a Notice of intention to make a proposal (“**NOI**”) under the relevant provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”) and Deloitte Restructuring Inc. was appointed as trustee thereto (the “**Trustee**”), the whole as appears from Court Record.
6. On March 3, 2017, at BCBG Canada’s request, the Honourable David R. Collier, JSC, granted the *Order approving a DIP Financing and DIP Charge, an Administration Charge, a D&O Charge, a Consulting Agreement and Sale Guidelines and granting ancillary relief* (the “**First Order**”), as appears from Court record.
7. Following the granting of the First Order, BCBG Canada, with the assistance of its consultant, the joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC, began the liquidation sale of all of its inventory and furnishings, fixtures and equipment located at the Stores (the “**Sale**”).
8. On March 29, 2017, Registrar Bégin of this Court, granted an order extending the time to file a proposal to May 15, 2017 (the “**Second Order**”), as appears from Court record.
9. BCBG Canada, with the assistance of its consultant, the joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC, has been continuing the Sale, which is anticipated to be completed by no later than May 31, 2017.
10. In parallel, BCBG Canada has continued to operate the Partner Shop business in the ordinary course since the date of the NOI.
11. BCBG Canada and its advisors, including its Chief Canadian Restructuring Advisor (the “**CCRA**”), are continuing to explore various alternatives going forward in order to best preserve the value of the Partner Shop business. This may include the sale of the Partner Shop business.
12. Any decision with respect to the Partner Shop business will be made within the larger context of the sale process currently ongoing in connection with the Chapter 11 Proceedings. The bid deadline in that sale process is May 19, 2017 and it is anticipated that the Chapter 11 Proceedings will continue to unfold in the following weeks.
13. Also, BCBG Canada, with the assistance of A&G Realty Partners, LLC (the “**Broker**”), put in place a solicitation process in respect of its interest in the Store leases (the “**Leases**”) for the benefit of its stakeholders.
14. On March 20, 2017, a document summarizing the opportunity including a list of Leases (the “**Teaser**”) and other relevant information, including the sale process and form of confidentiality agreement for potential bidders, was posted on the Trustee’s website. The Broker also circulated the Teaser to approximately 350 potential purchasers which it had identified.

15. Any interested party that desired to make a bid in respect of the sale and/or assignment on any one or more of the leases was to deliver its bid to the Trustee and the Company no later than April 5, 2017 (the “**Final Bid Deadline**”).
16. No interested party made a bid in respect of the Leases by the Final Bid Deadline. BCBG Canada subsequently disclaimed all remaining leases with effect on or before May 31, 2017.
17. While BCBG Canada, the CCRA and the Trustee are considering the various matters with respect to the elaboration of a proposal to BCBG Canada’s creditors (a “**Proposal**”), it will only be possible to substantially advance the process once the Sale is complete and a decision has been made as to the Partner Shop business.
18. The time limit for the filing of a Proposal under subsection 50.4(9) of the BIA is currently set to expire on May 15, 2017.
19. BCBG Canada requires additional time to accomplish *inter alia* the following steps:
 - (a) Identify the best alternative in respect of the Partner Shop business, with particular regard to the Chapter 11 Proceedings and the broader sale process initiated thereunder;
 - (b) Complete the Sale; and
 - (c) Work toward formulating a Proposal.
20. BCBG Canada has paid suppliers, employees and other creditors for sums due from the date of the NOI in the ordinary course of business and intends to continue doing so.

II. CONCLUSION

21. Accordingly, BCBG Canada hereby respectfully requests that this Court extend the time period to make a proposal to June 29, 2017 (the “**Extension Date**”), pursuant to subsection 50.4(9) of the BIA.
22. BCBG Canada’s cash flow is sufficient to continue operations up to and until the Extension Date, as appears from the Trustee’s Report to be filed with the Court on or about the date hereof.
23. In BCBG Canada’s opinion, no creditor will be materially prejudiced by an extension.
24. The present Application is supported by the Trustee.
25. BCBG Canada has acted and continues to act in good faith and with due diligence to make a proposal to its creditors.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present Application for extension of time to file a proposal (the "**Application**");
2. **EXTEND** the time period within which the Debtor/Petitioner may file a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 to June 29, 2017;
3. **REQUEST** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to the order to be rendered pursuant to the Application and to assist, the Debtor/Petitioner, the Trustee and their respective agents in carrying out the terms of this Order.
4. **ORDER** the provisional execution of the order to be rendered on the present Application notwithstanding appeal and without security.

THE WHOLE WITHOUT COSTS, save in the event of contestation.

MONTRÉAL, May 9, 2017

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP


Attorneys for the Debtor / Petitioner

AFFIDAVIT

I the undersigned, Naveed Z. Manzoor, domiciled for the purpose hereof at 6 Adelaide Street East, Suite 220, Toronto, Ontario, M5C 1H6, solemnly declare the following:


1. I am the Chief Canadian Restructuring Advisor of the Debtor/Petitioner BCBG MaxAzria Canada Inc. and a duly authorized representative of the Debtor/Petitioner for the purposes hereof;
2. I have taken cognizance of the attached Application for extension of time to file a proposal (the "**Application**");
3. All of the facts alleged in the Application are true.

AND I HAVE SIGNED:



Naveed Z. Manzoor

SOLEMNLY DECLARED BEFORE
ME IN TORONTO, ONTARIO, ON
MAY 9, 2017.



SEAN STIDWILL
LSUC # 7107BJ

NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the Application for extension of time to file a proposal will be presented for hearing and allowance in the Superior Court (Commercial Division), in room 16.10 of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6, on May 12, 2017, at 8:45 a.m., or so soon thereafter as counsel may be heard.

MONTRÉAL, May 9, 2017

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Debtor / Petitioner

No.: 500-11-052159-171

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DISTRICT OF MONTRÉAL**

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INTENTION TO MAKE A PROPOSAL OF:**

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Debtors/Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Trustee

**APPLICATION FOR EXTENSION OF TIME TO FILE A
PROPOSAL, AFFIDAVIT, NOTICE OF PRESENTATION**

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