

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF BEDFORD

(Commercial Division)  
SUPERIOR COURT  
In Bankruptcy and Insolvency

NO. : 460-11-000938-046  
Estate No.: 42-043090

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

J.L. DE BALL CANADA INC., a body politic and corporate, duly incorporated according to law, and having its principal place of business at 835 Industriel Blvd., in the city of Granby, district of Bedford, Province of Quebec, J2J 1A5

Debtor/Petitioner

-and-

RICHTER & ASSOCIÉS INC., in its capacity as Trustee under the Notice of Intention to Make a Proposal, a body politic and corporate, duly incorporated according to law, having a place of business at 2 Place Alexis Nihon, 22nd Floor, in the city and district of Montreal, Province of Quebec, H3Z 3C2

Trustee/Mis-en-cause

**MOTION TO EXTEND THE DELAY FOR FILING A PROPOSAL  
(SECTION 50.4(9) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN BANKRUPTCY AND INSOLVENCY MATTERS, IN AND FOR THE JUDICIAL DISTRICT OF GRANBY, OR TO THE REGISTRAR THEREOF, THE DEBTOR/PETITIONER RESPECTFULLY STATES:

1. On February 4, 2004, the Debtor/Petitioner ("De Ball") filed a Notice of Intention to Make a Proposal ("Notice") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "Act"), the whole as appears from the Court record;
2. The Trustee/Mis-en-cause, Richter & Associés Inc. ("Trustee") agreed to act as trustee under the proposal, the whole as appears from the Court record;
3. De Ball is a manufacturer of high quality, piece-dyed velvet and corduroy fabrics for the North American apparel and home furnishings sector;
4. De Ball employs approximately 120 employees at its plant located at Granby, Quebec;
5. In an effort to avoid bankruptcy, De Ball intends to file a proposal with its creditors according to the Act;
6. On February 12, 2004, De Ball filed a cash flow statement, the Trustee's report on the reasonableness of the cash flow statement and the De Ball's report relating to the preparation of the cash flow statement, the whole as

provided for in Section 50.4(2) of the Act, the whole as appears from the Court record;

7. As of the present date, De Ball has not filed its proposal and the statutory delay to file a proposal expires on March 5, 2004;
8. De Ball, notwithstanding that it is acting in good faith and with due diligence, has been unable, to the present date, to file a proposal for the following reason:
  - A key component of the Company / shareholder's plan is to pursue an acquirer / investor for the company. The Company requires additional time to canvas the market and identify a purchaser/investor.
9. If this Honourable Court extends the time for filing a proposal for an additional period of forty-five (45) days, De Ball is confident that it will be able to formulate the terms of a viable proposal to its creditors within the said forty-five-day (45) delay being requested herein;
10. De Ball does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted;
11. The Bank of Montreal (the "Bank"), principal secured creditor funding operating advances, does not object to the contemplated extension, provided De Ball operates within its funding arrangements with the Bank;
12. The Trustee supports the present request for an extension of the delay to file a proposal, as appears from the Trustee's report to the Court, prepared in accordance with Section 50.4(7) of the Act, attached hereto as Exhibit R-1;
13. In light of the foregoing, De Ball submits that a forty-five-day (45) extension period that is until April 15, 2004 be granted to file a proposal to its creditors since:
  - (a) De Ball is acting in good faith and with due diligence;
  - (b) De Ball is likely to be able to make a viable proposal;
  - (c) No creditors will be materially prejudiced.

**WHEREFORE, DEBTOR/PETITIONER PRAYS THAT, BY JUDGMENT TO BE RENDERED HEREIN, THIS HONOURABLE COURT:**

**DECLARE** that sufficient notice was given for the presentation of the present Motion;

**SHORTEN** the delays for service and presentation of the present Motion;

**GRANT** the Debtor/Petitioner a forty-five-day (45) extension period up to and including April 15, 2004 to file a proposal to its creditors;

**THE WHOLE** without costs, save in case of contestation.

MONTREAL, February 27, 2004

(S) STIKEMAN ELLIOTT LLP

---

**STIKEMAN ELLIOTT LLP**  
Attorneys for the Debtor/Petitioner

COPIE CONFORME

*Stikeman Elliott LLP*  
**STIKEMAN ELLIOTT LLP**

**AFFIDAVIT**

I, the undersigned, Paul R. Flay, businessman, residing and domiciled at 44 Howard Road, Lac Brome, Province of Quebec, J2K 3G8, solemnly declare:

1. THAT I am the President of the Debtor/Petitioner;
2. THAT I have taken cognizance of the foregoing Motion and the facts alleged therein are true.

AND IT HAVE SIGNED,

(S) PAUL R. FLAY

---

PAUL R. FLAY

Solemnly declared before me, at Granby,  
Quebec, this 27th day of February 2004

(S) J. Compagnat, #139 288

---

Commissioner of Oaths for the District of Bedford

COPIE CONFORME

*Stikeman Elliott LLP*  
STIKEMAN ELLIOTT LLP

**NOTICE**

**TO: RICHTER & ASSOCIÉS INC.**  
2, Place Alexis Nihon, 22nd Floor  
Montreal, Quebec  
H3Z 3C2

Attn.: Mr. Claudio Filipone

**AND: INDUSTRY CANADA**  
Office of the Official Receiver  
5 Place Ville-Marie  
8th Floor  
Montreal, Quebec H3B 2G2

**AND: BANK OF MONTREAL**  
**GOLDSTEIN, FLANZ & FISHMAN**  
1250 René-Lévesque West Blvd.  
Suite 4100  
Montreal (Quebec) H3B 4W8

Mtre. Avram Fishman

Sirs:

**TAKE NOTICE** of the foregoing Motion to Extend the Delay for Filing a Proposal shall be presented for allowance before the Registrar of Superior Court for the District of Bedford, sitting in bankruptcy and insolvency matters, at the Granby Court House in the Registrar Office, located at 77 Principale, Province of Quebec, J2G 9B3, on March 2<sup>nd</sup>, 2004 at 2:00 p.m. or soon thereafter as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTREAL, February 27, 2004

(S) STIKEMAN ELLIOTT LLP

---

**STIKEMAN ELLIOTT LLP**  
Attorneys for the Debtor/Petitioner

COPIE CONFORME

*Stikeman Elliott LLP*  
**STIKEMAN ELLIOTT LLP**