

CANADA

Droits de greffe
Gouvernement du Québec
Palais Justice MONTREAL
0000-J-0073-200815140102

2008-02-14
50,00

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO: 500-11-032325-082

SUPERIOR COURT

SUPERINTENDENT'S NO:
41-1030545

(Commercial Division)

IN THE MATTER OF:

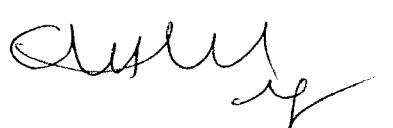
BENTLEY LEATHERS INC./CUIRS BENTLEY INC., a corporation and legal person having its registered office and principal place of business at 3700 Griffith Avenue, Suite 200, in the City of Montreal (St-Laurent), Province of Quebec;

Debtor/Petitioner

-and-

RSM RICHTER INC., a corporation and legal person having a place of business at 2 Place Alexis-Nihon, Suite 1950, in the City of Montreal, Province of Quebec;

Trustee

*Sur les allégués,
les pièces produites,
affidavit et représentation
nous Requête accordée.
Délai prorogé au
28 mars 2008.
à MR.
*

**MOTION FOR EXTENSION OF THE DELAY TO FILE A PROPOSAL
(Section 50.4(9) of the *Bankruptcy and Insolvency Act*, Canada)**

TO ONE OF THE HONOURABLE JUSTICES OF THE COMMERCIAL DIVISION OF THE SUPERIOR COURT FOR THE DISTRICT OF MONTREAL SITTING AS THE "COURT" AS DEFINED AND DESIGNATED UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, CANADA OR TO THE REGISTRAR OR DEPUTY REGISTRAR THEREOF, DEBTOR/PETITIONER RESPECTFULLY SUBMITS:

1. Bentley Leathers Inc./Cuirs Bentley Inc. ("Debtor" or "Petitioner") is insolvent and filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the provisions of the *Bankruptcy and Insolvency Act*, Canada ("BIA"), in general, and Section 50.4(1) thereof, in particular on January 18, 2007 with RSM Richter Inc. ("Trustee"), as trustee thereunder, all as appears of record herein.

COPIE CONFORME

Edoardo C-Nova

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO: 500-11-032325-082

S U P E R I O R C O U R T

SUPERINTENDENT'S NO:
41-1030545

(Commercial Division)

IN THE MATTER OF:

BENTLEY LEATHERS INC./CUIRS BENTLEY INC., a corporation and legal person having its registered office and principal place of business at 3700 Griffith Avenue, Suite 200, in the City of Montreal (St-Laurent), Province of Quebec;

Debtor/Petitioner

-and-

RSM RICHTER INC., a corporation and legal person having a place of business at 2 Place Alexis-Nihon, Suite 1950, in the City of Montreal, Province of Quebec;

Trustee

**MOTION FOR EXTENSION OF THE DELAY TO FILE A PROPOSAL
(Section 50.4(9) of the *Bankruptcy and Insolvency Act*, Canada)**

TO ONE OF THE HONOURABLE JUSTICES OF THE COMMERCIAL DIVISION OF THE SUPERIOR COURT FOR THE DISTRICT OF MONTREAL SITTING AS THE "COURT" AS DEFINED AND DESIGNATED UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, CANADA OR TO THE REGISTRAR OR DEPUTY REGISTRAR THEREOF, DEBTOR/PETITIONER RESPECTFULLY SUBMITS:

1. Bentley Leathers Inc./Cuir Bentley Inc. ("**Debtor**" or "**Petitioner**") is insolvent and filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the provisions of the *Bankruptcy and Insolvency Act*, Canada ("**BIA**"), in general, and Section 50.4(1) thereof, in particular on January 18, 2007 with RSM Richter Inc. ("**Trustee**"), as trustee thereunder, all as appears of record herein.

2. The Debtor is in the retail business, operating approximately 527 retail stores in various leased locations across Canada under the trade names "Bentley", "Access", "Xcetera" and "Unic" selling luggage, handbags, backpacks and other merchandise to the retail public.

3. The Debtor's aggregate retail sales during its 2007 fiscal year were approximately \$210 million.

4. It is the Debtor's intention to restructure its business by, *inter alia*, renegotiating its occupancy costs for unprofitable retail and distribution locations or closing such locations, reducing its overheads and, as soon as realistically possible, to submitting a viable proposal to its creditors.

5. Since the filing of its NOI, the Debtor, together and in cooperation with the Trustee, has diligently and in good faith taken the following steps to begin its restructuring:

- (a) The Debtor prepared and filed with the Official Receiver the requisite cash-flow statement and other documents required pursuant to Section 50.4(2) BIA;
- (b) The Debtor met at length with its short-term lender and banker, National Bank of Canada, in order to review the foregoing cash-flow statement and the Debtor negotiated and obtained an arrangement with its banker which would allow for payment of the Debtors current operating expenses and certain necessary inventory purchases;
- (c) The Debtor embarked on a store-by-store analysis of the profitability (or lack of profitability) of each of the Debtor's retail stores in order to determine which of the stores would have to either have its occupancy costs re-negotiated or be closed or in order to succeed in its restructuring;
- (d) The Debtor embarked on an analysis as to the necessity and profitability of continuing to operate all of its distribution centers, with a view to determining which of its distribution centers should be closed in order to succeed in its restructuring;
- (e) The Debtor has attempted to sell some of its retail store locations and is in advanced stages of concluding several of such sales;
- (f) The Debtor issued notices of disclaimer of leases pursuant to Sections 65.2 BIA in respect of approximately 13 retail stores and one distribution center and is in the process of either concluding new reduced rental agreements with its landlords or determining the timing for issuing further notices of disclaimer of leases in respect of at least 100 additional retail stores;

- (g) The Debtor conducted an analysis of its inventories situated in stores to be closed and inventories situated in the Debtor's distribution centers in order to determine whether such inventories were surplus inventories (to be liquidated) or inventories otherwise useful in the Debtor's on-going business;
- (h) The Debtor met with 4 major liquidation firms in order to review and obtain insight and proposals from these liquidation firms as to how the Debtor's surplus inventories ought best to be liquidated. The Debtor then sought proposals from each of these liquidation firms and is in the process of concluding a transaction with one of these liquidation firms. As a result, such liquidation firm will act as the Debtor's consultant and assist and direct the Debtor in obtaining the best liquidation prices for the Debtor's surplus inventories;
- (i) The Debtor has met and communicated with its major landlords in order to keep these landlords apprised as to the Debtor's proposed restructuring and progress in such restructuring;
- (j) The Debtor has met and communicated with representatives of the Debtor's major supplier/creditors in order to keep its supplier/creditors apprised as to the Debtor's proposed restructuring and progress in such restructuring; and
- (k) The Debtor has met and communicated with its bank in order to keep its bank apprised as to the Debtor's proposed restructuring and progress in such restructuring.

6. To date, all of the Debtors efforts to formulate and achieve its restructuring have proven positive. The Debtor's landlords and the Debtor's major suppliers/creditors have expressed as much support to the Debtor as can reasonably be expected at this stage of the Debtor's restructuring process.

7. The Debtor's banker has also continued to give the Debtor the support required by the Debtor in its cash-flow statement.

8. From the date of the filing of the Debtor's NOI, no landlord, supplier/creditor, other creditor or other stakeholder has given any indication whatsoever to the Debtor that these persons would not support the extension of the delay to file a proposal sought herein.

9. Moreover, no landlord, supplier/creditor, other creditor or any other stockholder has requested that the Debtor or the Trustee serve or formally notify such persons in advance of any motions to be made by the Debtor or the Trustee, in general, and the present Motion, in particular.

10. The Debtors banker has informed the Debtor that it has no objection to the extension of the delay to file a proposal sought herein.

11. Within the 45 day extension of the delay to file a proposal sought herein, the Debtor will continue to diligently pursue its restructuring and anticipates being able to complete the re-negotiation of its store occupancy costs or its store closings and disclaimers of leases, embark upon the liquidation of its surplus inventories and properly evaluate a long term cash-flow in order to ascertain and determine the essential components of an eventual proposal to be submitted to the Debtor's creditors.

12. The Debtor accordingly seeks the extension of the delay for the Debtors filing of its proposal for an additional period of 45 days in order to allow the Debtor to diligently and properly pursue and complete all of the elements necessary to achieve its restructuring and make a viable proposal to its Creditors.

13. The Debtor has acted and is acting in good faith and with due diligence.

14. The Debtor would likely be able to make a viable proposal if the extension being applied for herein were granted.

15. No creditor of the Debtor would be materially prejudiced if the extension being applied for herein were granted.

16. The Trustee's report envisaged by Section 50.4(7) BIA as to the state of the Debtor's business and financial affairs shall be filed by the Trustee with this Honourable Court at the hearing by this Honourable Court of the present Motion.

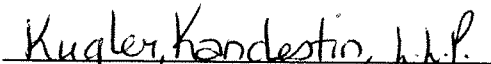
17. It is in the interest of justice and the best interests of the Debtor's creditors that the delays for presentation of the present Motion be shortened.

18. The present Motion is well founded in fact and in law.

WHEREFORE THE PETITIONER PRAYS FOR JUDGMENT OF THIS HONOURABLE COURT:

- A. **GRANTING** the present Motion;
- B. **SHORTENING** the delays for service and presentation of the present Motion;
- C. **EXTENDING** the delay for Petitioner's filing of a proposal as envisaged by Sections 50.4(8) and (9) BIA, for a further period of 45 days, namely until March 28, 2008.

TRUE COPY


KUGLER KANDESTIN, L.L.P.
Attorneys for Debtor/Petitioner

MONTREAL, PROVINCE OF QUEBEC
THIS 13th day of **February, 2008.**

(SGD.) Kugler Kandestin, L.L.P.

KUGLER KANDESTIN, L.L.P.,
Attorneys for Debtor/Petitioner

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO: 500-11-032325-082

S U P E R I O R C O U R T

SUPERINTENDENT'S NO:
41-1030545

(Commercial Division)

IN THE MATTER OF:

BENTLEY LEATHERS INC./CUIRS BENTLEY INC., a corporation and legal person having its registered office and principal place of business at 3700 Griffith Avenue, Suite 200, in the City of Montreal (St-Laurent), Province of Quebec;

Debtor/Petitioner

-and-

RSM RICHTER INC., a corporation and legal person having a place of business at 2 Place Alexis-Nihon, Suite 1950, in the City of Montreal, Province of Quebec;

Trustee

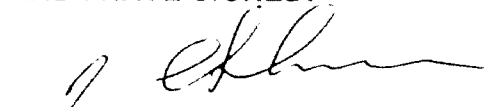
SOLEMN AFFIRMATION

I, the undersigned, **ANDREW CHELMINSKI**, carrying on business at 3700 Griffith Avenue, Suite 200, in the City of Montreal (St-Laurent), Province of Quebec hereby solemnly declare the following:

1. **THAT** I am a Director, the President and a duly authorized representative of Bentley Leathers Inc./Cuir Bentley Inc., the Petitioner/Debtor in the present "Motion for Extension of the Delay to file a Proposal" (the "**Motion**") and have knowledge of all of the facts alleged in such Motion; and

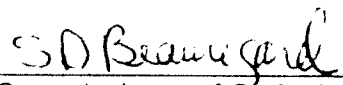
2. THAT all of the facts alleged in the present Motion are, to my knowledge, true and correct.

AND I HAVE SIGNED:



ANDREW CHELMINSKI

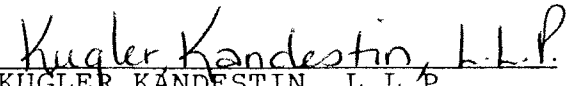
SOLEMNLY DECLARED before me at the City of Montreal, Province of Quebec, this 13th day of February, 2008.



Commissioner of Oaths in and for the City and District of Montreal.



TRUE COPY



KUGLER KANDESTIN, L.L.P.
Attorneys for Debtor/Petitioner

No. 500-11-032325-082
Superintendent's No. 41-1030545

COUR SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL

IN THE MATTER OF :

BENTLEY LEATHERS INC./
CUIRS BENTLEY INC.

-and- Debtor/Petitioner

RSM RICHTER INC.,
Trustee

MOTION FOR EXTENSION OF THE DELAY TO
FILE A PROPOSAL (Section 50.4(9) of the
Bankruptcy and Insolvency Act, Canada) AND
SOLEMN AFFIRMATION

Our file no: 4561-01

COPY

Me Gerald F. Kandestin
KUGLER KANDESTIN

AVOCATS • ATTORNEYS

S.E.N.C.R.L. • LLP

1 Place Ville Marie, Suite 2101
Montréal, Québec, Canada H3B 2C6
Tel: (514)878-2861
Fax: (514)875-8424