

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N° : 500-11-022070-037

DATE : MARCH 16, 2004

PRESENT: THE HONOURABLE MR. JUSTICE CLÉMENT GASCON

LES BOUTIQUES SAN FRANCISCO INCORPORÉES

and

LES AILES DE LA MODE INCORPORÉES

and

LES ÉDITIONS SAN FRANCISCO INCORPORÉE

Petitioners

and

RICHTER & ASSOCIÉS INC.

Monitor

SECOND AMENDED INITIAL ORDER

[1] The BSF Group asks for a second extension of the Initial Order issued in this case on December 17, 2003 and amended on January 15, 2004. The first extension expires today March 16, 2004, and the new extension sought is to April 23, 2004.

[2] The Court considers that it is justified to extend the Initial Order to April 23, 2004 and relies on the following to so conclude :

1. As alleged in the Motion, since the Initial Order, the BSF Group has continued to operate and most of its stores and boutiques have remained open with the employees' remuneration duly paid;
2. At all times, the creditors and the employees have been kept fully informed of the situation affecting the BSF Group, as alleged again in the Motion;
3. The BSF Group has made significant progress in accordance with the terms of the Business Plan it filed in the Court record on January 15, 2004. It is obvious that it is proceeding with good faith and due diligence towards the filing of its Plan of Arrangement;
4. The additional delay sought is necessary to notably allow the BSF Group to negotiate and obtain alternative financing, to negotiate and obtain equity investment, to pursue the sale of its head office, and to start the determination of the claims process;
5. The BSF Group represents that even though it expects that a third extension will be required on April 23, 2004, it should however be in a position to specify then the date on which it will be able to file its Plan of Arrangement. This appears reasonable under the circumstances, considering the efforts and the progress made so far;
6. The additional extension sought is in accordance with the critical path of the Business plan of the BSF Group of January 15, 2004;
7. The additional extension is supported by the Monitor and the Bank Syndicate. In addition, the Motion has been served or notified to all of the known interested parties, many of whom are represented today by their attorneys, and no one is opposing the extension sought.

[3] **FOR THESE REASONS, THE COURT:**

[4] **GRANTS** the Second Motion, as amended, for the Extension of the Initial Order;

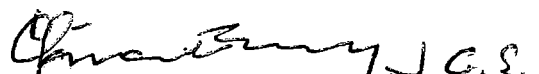
[5] **ORDERS** that the Initial Order of this Court rendered by Mr. Justice Clément Gascon on December 17, 2003 (the "Initial Order") and the Amended Initial Order rendered by Mr. Justice Clément Gascon on January 15, 2004 in the present file remain in full force and effect and that the Stay Termination Date, as defined in paragraph 41 of the Initial Order, is extended to April 23, 2004;

[6] **RECONVENES** the parties in front of this Court on April 23, 2004, at 9h30 a.m. in a room yet to be determined of the Montreal Courthouse, to reassess the situation;

[7] **DISPENSES** Petitioners with the service of the present Motion and of the supporting affidavit and exhibits and any notice and delay of presentation relating thereto;

[8] **ORDERS** provisional execution of this Second Amended Initial Order, notwithstanding any appeal and without the necessity of furnishing security;

[9] **WITHOUT COSTS.**


Clément Gascon, J.S.C.

Me Alain Riendeau and Me Stéphanie Lapierre
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Me Nicolas Plourde
Heenan Blaikie
Attorneys for L'Oréal Canada Inc. and Make Up For Ever S.A.

Me Denis Cloutier
Cain Lamarre Casgrain Wells
Attorneys for the Board of Directors (Administrators)

Date of hearing : March 16, 2004