

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

VERNE COPIE
Janyk Lucie
OFFICIER AUTONOME

MOTION TO EXTEND THE DELAY FOR FILING A PROPOSAL
(SECTION 50.4(9) OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., 1985, c. B-3 (the "Act"))

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING
IN BANKRUPTCY AND INSOLVENCY MATTERS, IN AND FOR THE JUDICIAL
DISTRICT OF BEDFORD, 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 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

The Court sitting in chambers
grants the present motion and
extends the delay for a period
of 24 days, that is till the
5th of July (Monday) 2004
The whole without costs
Carol M. Bellavance
J.C.S.
June 11, 2004

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

7. On March 2nd, 2004, this Court granted a first extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until April 15, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
8. On April 14, 2004, this Court granted a second extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until May 7, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
9. On May 7, 2004, this Court granted a third extension of De Ball's delay to file a proposal, the whole as appears from the Court record, thereby giving De Ball until June 11, 2004, either to file a proposal to its creditors or to ask the Court for an extension;
10. As of the present date, De Ball has not filed its proposal and the delay to file expires on June 11, 2004;
11. 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 De Ball/shareholder's plan is to pursue a purchaser/investor for De Ball;
 - On April 29, 2004, De Ball has mandated the Trustee to act as its consultant and advisor in the sale of a part of or all of its assets;
 - Accordingly, the Trustee has prepared an information circular for distribution to potentially interested purchasers;
 - Such information circular was sent to more than fifty (50) potentially interested parties in Canada and in the United States;
 - Several of these have already expressed interest, signed confidentiality agreements, begun the due diligence process as well as discussions with De Ball;
 - A "data room" has also been activated on the Internet where interested parties can gain access to confidential information about De Ball;
 - Visits of the De Ball's plant located in Granby have begun;
 - However, De Ball requires additional time to complete negotiations with the assistance of the Trustee;
12. Since having filed its Notice, De Ball has continued its operations.;
13. Throughout this period, De Ball has been paying its suppliers and employees, on a timely basis, for goods and services provided subsequent to the date of the filing of the Notice;
14. However, De Ball requires additional time to complete a transaction that will allow it to file a proposal to its creditors;

- 3 -

15. If this Honourable Court extends the time for filing a proposal for an additional period of 24 days, De Ball is confident that upon identifying a purchaser and/or investor, it will be able to formulate the terms of a viable proposal to its creditors within the said 24-day delay being requested herein;
16. De Ball does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted;
17. 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;
18. 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;
19. In light of the foregoing, De Ball submits that a 24-day extension period that is until July 5, 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 24-day extension period up to and including July 5, 2004 to file a proposal to its creditors;


THE WHOLE without costs, save in case of contestation.

MONTREAL, June 9, 2004

[s] Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

TRUE COPY


STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

AFFIDAVIT

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

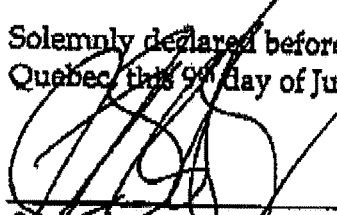
1. THAT I am the President of the Debtor/Petitioner;
2. THAT I have taken cognizance of the foregoing Motion and the facts alleged therein are true.

AND I HAVE SIGNED,



PAUL R. FLAY

Solemnly declared before me, at Granby, Quebec, this 9th day of June, 2004



Commissioner of Oaths for the judicial district of Bedford

JEAN-PIERRE BLANCHARD NOTARY

LIFE COMMISSION B0825

TRUE COPY

Stikeman Elliott LLP
 STIKEMAN ELLIOTT LLP

- 5 -

NOTICE

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

Attn.: Mr. Robbie Hockenstein

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 office of Mr. Justice Paul Marcel Bellavance, located at 77 Principale, Province of Quebec, J2G 9B3, on **June 11, 2004 at 13:30 P.M.** or soon thereafter as counsel may be heard.


DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, June 9, 2004

[s] Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

TRUE COPY


STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

(Commercial Division)
SUPERIOR COURT
In Bankruptcy and Insolvency

N°. 460-11-000938-046
Estate No.: 42-043090

CANADA
PROVINCE OF QUEBEC
DISTRICT OF BEDFORD

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

J.L. DE BAIL CANADA INC.,

Debtor/Petitioner

- and -

RICHTER & ASSOCIÉS INC.,

Trustee/Mis-en-cause

BS0350

n/dos.: 016119-1003

MOTION TO EXTEND THE DELAY FOR FILING
A PROPOSAL, AFFIDAVIT/AND NOTICE

COPY FOR:

RICHTER & ASSOCIÉS INC.
2, Place Alexis Nihon, 22nd Floor
Montreal, Quebec H3Z 3C2
Attn: Mr. Robbie Hockenstein

Me Philippe Buist (514) 397-3283
Fax : (514) 397-5436

STIKEMAN ELLIOTT
Stikeman Elliott S.E.N.C.R.L., s.r.l. AVOCATS
40^e étage

1155, boul. René-Lévesque Ouest
Montréal, Canada H3B 3V2

- 6 -

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

LIST OF EXHIBITS OF DEBTOR/PETITIONER


EXHIBIT R-1: Trustee's report.

MONTREAL, June 9th, 2004

[s] Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

TRUE COPY


STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

(Commercial Division)
SUPERIOR COURT
In Bankruptcy and Insolvency

N^o. 460-11-000938-046
Estate No.: 42-043090

CANADA
PROVINCE OF QUEBEC
DISTRICT OF BEDFORD

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

J.L. DE BAIL CANADA INC.,

Debtor/Petitioner

- and -

RICHTER & ASSOCIÉS INC.,

Trustee/Mis-en-cause

BS0350 n/dos.: 016119-1003

LIST OF EXHIBITS

COPY FOR:

RICHTER & ASSOCIÉS INC.
2, Place Alexis Nihon, 22nd Floor
Montreal, Quebec H3Z 3C2
Attn.: Mr. Robbie Hockenstein

Me Philippe Buist (514) 397-3283

Fax : (514) 397-5436

STIKEMAN ELLIOTT

Stikeman Elliott S.E.N.C.R.L., s.r.l. AVOCATS

40^e Étage

1155, boul. René-Lévesque Ouest
Montréal, Canada H3B 3V2