

CANADA
PROVINCE OF QUEBEC
DISTRICT OF BEDFORD

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

(Commercial Division)
SUPERIOR COURT
In Bankruptcy and Insolvency

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 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 *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. 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. As of the present date, De Ball has not filed its proposal and the delay to file expires on April 15, 2004;
9. 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 a acquirer/investor for the Company.
 - The Company has identified and begun discussions with a potential purchaser, and requires additional time to complete negotiations.
10. That since having filed its Notice, De Ball has continued its operations. 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;
11. 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;
12. De Ball does not believe that any creditor will be materially prejudiced if the extension being requested herein is granted;
13. 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;
14. 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;
15. In light of the foregoing, De Ball submits that a forty-five-day (45) extension period that is until May 28, 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 May 28, 2004 to file a proposal to its creditors;

THE WHOLE without costs, save in case of contestation.

MONTREAL, April 13th, 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 13th day of April 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 Québec, J2G 9B3, on April 14, 2004 at 2:00 p.m. or soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, April 13, 2004

(S) STIKEMAN ELLIOTT LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Debtor/Petitioner

COPIE CONFORME

Stikeman Elliott LLP
STIKEMAN ELLIOTT LLP

(Commercial Division)
SUPERIOR COURT
In Bankruptcy and Insolvency

N° 460-11-000938-046

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

RS0350

File: 016719-1003

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

COPY FOR: Mr. Claudio Filippone

RICHTER & ASSOCIÉS INC.

2 Place Alexis Nihon, 22nd Floor

Montreal (Québec) H3Z 3C2

Mme. Fabrice Benoit

(514) 397-3668

Fax: (514) 397-3652

STIKEMAN ELLIOTT

STIKEMAN ELLIOTT LLP BARRISTERS & SOLICITORS

40th Floor

1155 René-Lévesque West

Montréal, Canada H3B 3V2