

29 SEPT 2008

ONTARIO  
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

**LATE FILING**

MOTION RECORD

Cassels Brock & Blackwell LLP  
2100 Scotia Plaza  
40 King Street West  
Toronto, Ontario M5H 3C2  
David S. Ward LSUC#: 33541W  
Tel: 416 - 869-5960  
Fax: 416-360-8877

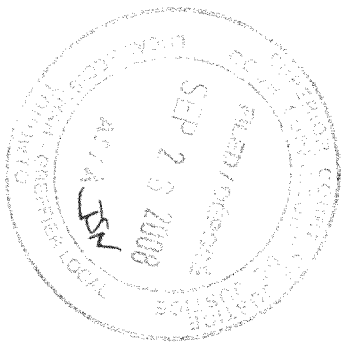
Solicitors for the Applicants

Sept 27 108

The applicants seek a variety of relief including an extension of the Stay Period to Nov 28, 08. The stay is required for ongoing stability + I am satisfied that the applicants have acted - good faith + with due diligence + creditors will not be materially prejudiced by the extension. Secondly, through the marketing process, it would appear that the business + assets of Tahera have been appropriately + widely marketed + that the transaction contemplated in the Plan Sponsorship Agreement represents the best available in the circumstances.

Thirdly, while the proposed claims procedure is somewhat tight from a timing perspective, I accept the monitor's view that the timetable is not unreasonable.

Fourthly, Tiffany's will bear a significant shortfall + is the 1<sup>st</sup> secured creditor. It is proposed to the relief requested although with respect to para 6 of the order, it is understood that this is without prejudice to Tiffany's + Lorette's ability to agree that certain documents should be ~~francophone~~ in the event that they are not. They are an side with respect to the addendum to the Exec Management Incentive Plan + the appointment of ~~an~~ as CRA.



I am likewise satisfied with the detail + substance of the remainder of the relief requested + the order is accordingly granted.

Counsel are to reattend before me on Oct 1, 08 at 9<sup>30</sup> to address the issue of claims against officers + directors + to schedule a motion to be brought by Cadmus & Co. Financial.

L. P. Pell, J.