

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and
A-Z SPONGE & FOAM PRODUCTS LTD.**

APPLICANTS

**EIGHTH REPORT OF THE MONITOR
DATED DECEMBER 13, 2013**

MOTION RETURNABLE DECEMBER 17, 2013

December 13, 2013

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Q.	Affidavit of Grant B. Moffat of Thornton Grout Finnigan LLP, sworn December 12, 2013

TAB 1

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INTRODUCTION

1. By Order of the Court dated January 12, 2012 (the “**Initial Order**”), Valle Foam Industries (1995) Inc. (“**Valle Foam**”), Domfoam International Inc. (“**Domfoam**”) and A-Z Sponge & Foam Products Ltd. (“**A-Z Foam**”) (collectively, the “**Applicants**” or the “**Companies**”), obtained protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The CCAA proceeding with respect to the Applicants is referred to herein as the “**CCAA Proceeding**”.
2. Pursuant to the Initial Order, Deloitte & Touche Inc. was appointed monitor of the Applicants as part of the CCAA Proceeding (the “**Monitor**”). Pursuant to the Initial Order, all proceedings against the Applicants were stayed until February 10, 2012, or until such later date as this Court would order (the “**Stay Period**”). A copy of the Initial Order is attached hereto as Exhibit “**A**”.
3. On July 1, 2013, Deloitte & Touche Inc. changed its name to Deloitte Restructuring Inc. (hereafter, “**Deloitte**”).
4. As noted in the Monitor’s Fourth Report to the Court dated June 12, 2012 (the “**Fourth Report**”), Valle Foam changed its name to 3113736 Canada Ltd. and Domfoam changed its name to 4362063 Canada Ltd. Throughout this Report, references to Valle Foam mean 3113736 Canada Ltd. and references to Domfoam mean 4362063 Canada Ltd.
5. On January 23, 2012, the Monitor in its capacity as foreign representative of the Companies in the CCAA Proceeding filed with the United States Bankruptcy Court, Northern District of Ohio (Western Division) (the “**U.S. Bankruptcy Court**”) a petition for recognition of the CCAA Proceeding as a foreign main proceeding pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.
6. By Order of the U.S. Bankruptcy Court dated January 27, 2012 (the “**Provisional U.S. Recognition Order**”), all litigation in the United States against the Companies was stayed on a provisional basis (the “**U.S. Litigation Stay**”) until February 10, 2012, and provided that the U.S. Litigation Stay would be automatically extended to correspond to any extension of the Stay Period in the CCAA Proceeding. By Order of the U.S. Bankruptcy Court dated February 24, 2012 (the “**U.S. Recognition Order**”), the CCAA Proceeding was recognized as a foreign main proceeding. A copy of the U.S. Recognition Order is attached hereto as Exhibit “**B**”.

7. By Orders of the Court dated February 8, March 16, June 15, October 25, 2012, February 28, and July 17, 2013 (collectively, the “**Extension Orders**”), the Court has periodically extended the Stay Period, with the most recent extension expiring on December 31, 2013.
8. By Order of the Court dated June 15, 2012 (the “**Claims Solicitation Procedure Order**”), the Court authorized and approved the procedure (the “**Claims Solicitation Procedure**”) to:
 - (i) identify and determine the validity of creditor claims against the Companies as at the date of the Initial Order, as well as any claims which arose subsequent to the date of the Initial Order (collectively, the “**Claims**”); and
 - (ii) identify claims against any of the current or former directors or officers (collectively, the “**Directors and Officers**”) of the Companies (the “**D&O Claims**”).

The deadline for submission for proofs of claim under the Claims Solicitation Procedure was August 31, 2012 (the “**Claims Bar Date**”). A copy of the Claims Solicitation Procedure Order is attached hereto as Exhibit “C”.

9. The Initial Order together with related Court documents, the Notice to Creditors dated January 19, 2012, the Monitor’s First Report to the Court dated January 25, 2012 (“**First Report**”), the Monitor’s Second Report to the Court dated February 7, 2012 (“**Second Report**”), the Monitor’s Third Report to the Court dated March 13, 2012 (the “**Third Report**”), the Monitor’s Fourth Report to the Court dated June 12, 2012 (“**Fourth Report**”), the Monitor’s Fifth Report to the Court (“**Fifth Report**”) dated October 22, 2012, the Monitor’s Sixth Report to the Court (“**Sixth Report**”) dated February 25, 2013 and the Monitor’s Seventh Report to the Court dated July 12, 2013 (“**Seventh Report**”) (collectively, the “**Prior Reports**”), have been posted on the Monitor’s website at www.deloitte.com/ca/vallefoam (the “**Monitor’s Website**”). The Monitor has also established a toll free number at 1-855-601-6415 and a dedicated e-mail address at vallefoam@deloitte.ca for creditors and other interested parties to contact the Monitor with questions or concerns regarding the CCAA Proceeding.
10. The purpose of this report (the “**Eighth Report**”) is to update the Court with respect to the status of the Claims Solicitation Procedure and to provide the Court with the Monitor’s recommendation with respect to the Companies’ motion for an extension of the Stay Period to April 30, 2014.

TERMS OF REFERENCE

11. In preparing the Eighth Report, the Monitor has relied upon unaudited financial information, the Companies' books and records, the financial information prepared by the Companies, and discussions with management ("Management") and legal counsel for the Companies.
12. Unless otherwise stated, all dollar amounts contained in this Eighth Report are expressed in Canadian dollars.
13. Capitalized terms not otherwise defined in this Eighth Report are as defined in the Initial Order or the Claims Solicitation Procedure Order.

BACKGROUND

14. The Companies operated together as one of Canada's leading and largest manufacturers and distributors of flexible polyurethane foam products from facilities located in Ontario, Quebec and British Columbia. The operations of Valle Foam and Domfoam historically comprised substantially all of the Companies' operations. A-Z Foam and Valle Foam are wholly owned subsidiaries of Domfoam.
15. Mr. Anthony Vallecoccia is the President and Chief Executive Officer of Domfoam, President of Valle Foam, and the sole officer and director of A-Z Foam.
16. Other than security interests which may be claimed by certain equipment lessors, the Monitor is not aware of any secured creditors of the Companies. As at January 11, 2012, the total liabilities of Valle Foam, Domfoam and A-Z Foam, not including any claims pursuant to the Class Actions (as defined below), amounted to approximately \$11,218,000, \$11,339,000 and \$368,000 respectively.

The Competition Bureau (Canada) Fines and Related Litigation

17. As set out in the First Report, both Domfoam and Valle Foam were charged with, and on January 5, 2012, pled guilty to, certain offences under the *Competition Act*, R.S.C. 1985, c C-34 (the "*Competition Act*") arising from collusion with other manufacturers of slab foam and carpet underlay foam within Canada to lessen competition in the sale or supply of these products and by

conspiring with other manufacturers to fix or control the price for these products. A copy of the statement of admissions (the “**Statement of Admissions**”) by Domfoam and Valle Foam in the *Competition Act* proceeding is attached as Exhibit “D”.

18. Domfoam was fined a total of \$6.0 million and Valle Foam was fined a total of \$6.5 million. No fine was assessed against A-Z Foam as no charges were laid against A-Z Foam. In accordance with the terms of the sentence imposed, Valle Foam paid \$500,000 in partial payment of the fines imposed against it on the same day the guilty pleas were entered.
19. As a result of the foregoing, each of Valle Foam and Domfoam has an outstanding liability of \$6.0 million in fines payable to the Crown.
20. In accordance with the terms of the sentences imposed, Domfoam and Valle Foam are to each pay \$1.0 million on the 1st of January of each year, commencing in 2013 and ending in 2018.
21. As set out in the Affidavit of Tony Vallecoccia sworn January 11, 2012, (the “**Vallecoccia Affidavit**”), the Applicants disclosed their financial difficulties to the Crown prior to the entry of their guilty pleas and advised of the Applicants’ intention to file for protection under the provisions of a Canadian insolvency regime.
22. The Monitor has been advised by the Companies that, as part of the plea arrangement with the Crown, certain officers and directors of the Companies are required to provide sworn testimony to the Competition Bureau.

CLASS ACTIONS

23. The Monitor has been advised by the Applicants that some or all of the Applicants have been named as defendants in six class action lawsuits in Canada, and over two dozen class action lawsuits in the United States (together, the “**Class Actions**”), based upon allegations of price fixing by certain of the Applicants and other manufacturers in the slab foam industry.
24. The Canadian Class Actions consist of two proceedings commenced in each of British Columbia (the “**BC Proceedings**”) and Ontario (the “**Ontario Proceedings**”) and two proceedings commenced in Quebec (the “**Quebec Proceeding**”). The Canadian Class Actions advance joint and several claims against the Companies and certain other defendants or respondents on behalf

of proposed classes comprised of all persons or entities who purchased polyurethane foam and polyurethane foam products in Canada from and after January 1, 1999 (collectively, the "Class").

25. The Monitor understands that settlements have been reached with all of the Plaintiffs in both the Canadian and U.S. Class Actions and that all such proceedings have been or will be discontinued. The terms of the settlement in the Canadian Class Actions are set out in the Canadian Polyurethane Foam Class Actions National Settlement Agreement dated as of January 10, 2012 (the "Settlement Agreement"). Although the Canadian and U.S. Settlements permitted the Plaintiffs in the Class Actions to file claims in the CCAA Proceedings against the Companies, only the Plaintiffs in the BC Proceedings, the Ontario Proceedings and the Quebec Proceeding filed a claim pursuant to the Claims Solicitation Procedure, described in more detail below.
26. The Settlement Agreement and the settlements reached in the U.S. Class Actions require the Companies to make available for examination certain current and former officers, directors and employees of the Companies. Certain current and former officers, directors and employees of the Companies have been examined over the course of 2013. The Monitor has permitted the Companies to fund the legal fees and expenses of the Companies' former officers, directors and employees in connection with such examinations to ensure that the settlements in the Canadian and U.S. Class Actions are not jeopardized.

COURT APPROVAL OF THE SETTLEMENT AGREEMENT

27. By Orders dated July 24, 2013 (the "Ontario Certification Orders"), the Ontario Proceedings were certified for settlement purposes only as against the Companies and the form of notice to the proposed class and the notification procedures in connection with the pending motion to approve the Settlement Agreement was approved. The foregoing Orders also appointed a set of Plaintiffs as representatives of the Class for settlement purposes (the "Representative Plaintiffs"), and a group of law firms in Ontario, BC and Quebec as counsel for the Representative Plaintiffs and the Class ("Class Counsel"). True copies of the Ontario Certification Orders are attached as Exhibits "E" and "F".
28. A parallel Order was issued in the BC Proceedings on July 30, 2013 (the "BC Certification Order") and in the Quebec Proceedings on July 8, 2013 (the "Quebec Authorization Order").

True copies of the BC Certification Order and the Quebec Authorization Order are attached as Exhibits "G" and "H".

29. The motion for approval of the Settlement Agreement in the Quebec Proceedings was heard on October 28, 2013. A number of the defendants in the Quebec Proceedings who are not related to the Companies and who are not parties to the Settlement Agreement (collectively, the "Non-Settling Defendants") opposed approval of the Settlement Agreement on the basis of certain provisions of the settlement approval order relating to the ability of the Class to claim "solidarity" (the civil equivalent to "joint and several liability") against the Non-Settling Defendants in the Canadian Class Actions. The Monitor understands that the Non-Settling Defendants argued that as part of the settlement approval order, the Class was required to waive certain claims in solidarity as against the Non-Settling Defendants. The Quebec Court rejected this position and approved the Settlement Agreement. A true copy of the Order of the Quebec Superior Court approving the Settlement Agreement is attached as Exhibit "T".
30. A joint settlement approval hearing was held in the Ontario and BC Proceedings on October 25, 2013. The Non-Settling Defendants again opposed the proposed settlement approval order on the basis of certain provisions of the draft settlement approval order which provided for a bar on certain contribution claims and continuing discovery rights against the Companies and certain individuals. Given the limits of time, the Ontario and BC Courts directed that these matters should be addressed in a subsequent joint hearing to be held on December 9, 2013.
31. The Monitor understands that, prior to the joint hearing on December 9, 2013, the Class Plaintiffs and the Non-Settling Defendants resolved their disagreement relating to the language of the bar order relating to the ability of the Class to claim joint and several liability against the Non-Settling Defendants. Under the terms of the Settlement Agreement, the Companies are not included within the definition of "Releasees" with the result that the Class Plaintiffs may claim that the Non-Settling Defendants are jointly and severally liable with the Companies in the BC and Ontario Proceedings. This would, in turn, result in the Non-Settling Defendants having a right to claim over against the Companies. The Non-Settlement Defendants have not filed a Proof of Claim against any of the Companies pursuant to the Claims Solicitation Procedure with the result that, pursuant to the Claims Solicitation Procedure Order, any claims the Non-Settling Defendants may have against the Companies would be barred.

32. The Monitor understands that, although the Companies will not be included within the definition of Releasees pursuant to the Settlement Agreement, for the purpose of resolving this dispute between the Class and the Non-Settling Defendants, the Class Plaintiffs and the Non-Settling Defendants have agreed to reserve their rights in the ongoing proceedings as to whether the Class is required to waive certain claims in joint and several liability as against the Non-Settling Defendants. In particular, these parties have reserved their respective rights to argue whether the Companies should be treated as Releasees for this particular provision, but they also agreed that this provision will not amend the definition of Releasees under the Settlement Agreement and will not derogate or detract from any of the protections in favour of the Companies under the Settlement Agreement.
33. However, the Representative Plaintiffs, the Companies and the Non-Settling Defendants did not resolve their disagreement relating to the issue of future discovery rights as against the Companies and the individuals who participated in the Settlement Agreement. As a result, the parties argued those issues before the Ontario and BC Courts during the joint hearing held on December 9, 2013.
34. The Non-Settling Defendants opposed approval of the Settlement Agreement at that joint hearing on the basis that the proposed settlement approval order did not grant certain rights in favour of the Non-Settling Defendants to conduct future discovery as against the Companies and the individuals who are parties to the Settlement Agreement. The Companies and the individuals opposed these proposed changes. In particular, the Companies took the position that the Ontario and BC Proceedings are subject to the stay of proceedings under this CCAA Proceeding and that the Non-Settling Defendants are required to obtain an order from the CCAA Court lifting the stay in order to conduct any future discovery of the Companies.
35. By email to the Companies' counsel, the Monitor advised that it is the position of the Monitor that the Court supervising the CCAA Proceeding should determine if the CCAA stay of proceedings should be lifted to permit the discovery rights sought by the Non-Settling Defendants. The Monitor understands that the foregoing email was forwarded to counsel to the Non-Settling Defendants and the Monitor's position was brought to the attention of the Ontario and BC Courts during the joint hearing. The Monitor understands that a copy of the foregoing email will be filed with the Court as well. Otherwise, the Monitor did not take any position with respect to the settlement approval motion.

36. The Ontario and BC Courts reserved judgment. As of the date of this Report, the Ontario and BC Courts have not released their decision.
37. The Monitor understands that no Class members have opted out of the Class or objected to the Settlement Agreement.

CANADIAN CLASS ACTION PROOFS OF CLAIM

38. As noted in the Fifth Report, the most significant Proofs of Claim submitted to the Monitor pursuant to the Claims Solicitation Procedure were filed in respect of the Canadian Class Actions. The Monitor received three separate Proofs of Claim from the Plaintiffs in each of the BC Proceedings, the Ontario Proceedings and one of the Quebec Proceedings (collectively, the "Class Proofs of Claim").
39. The Monitor initially disallowed the Class Proofs of Claim since none of the Proofs of Claim specified the amount claimed but instead indicated such amount was "to be ascertained" and because none of the parties filing the Class Proofs of Claim appeared to have any authority to act on behalf of the subject class in each of the BC, Ontario and Quebec Proceedings. This latter issue was resolved as a result of the appointment of the Representative Plaintiffs pursuant to the Ontario and BC Certification Orders and the Quebec Authorization Order.
40. In response to the disallowance issued by the Monitor in respect of the Class Proofs of Claim, the Class Plaintiffs delivered to the Monitor Notices of Dispute which address quantification of the Claims in the Canadian Class Actions. The Notices of Dispute provide that the amount claimed under each of the Class Proofs of Claim is \$97,500,000 (\$292,500,000 in total) on behalf of the Class referenced in the subject Proof of Claim.
41. In August, 2013, the Companies delivered to Class Counsel a formal response to the \$97,500,000 Claim valuation in the Notices of Dispute. Given that many of the facts referenced in the response from the Companies remain subject to confidentiality restrictions pursuant to the Settlement Agreement and arrangement with regulators, all parties have agreed that the contents thereof shall remain privileged and confidential and shall be used solely for the purpose of attempting to resolve the value of the Class Proofs of Claim.

42. Further exchanges of correspondence regarding the appropriate valuation of the Class Proofs of Claim between counsel for the Companies and Class Counsel continued subsequent to August 2013. The Class Plaintiffs take the position that the Class Proofs of Claim should be valued in the aggregate amount of \$97,500,000 on a joint and several basis for the following reasons:

- (a) Given that both Domfoam and Valle Foam pled guilty to certain offences under the *Competition Act*, the Class Plaintiffs maintained that it is a virtual certainty that as a result of such guilty plea, in conjunction with the facts admitted by Valle Foam and Domfoam in the Statement of Admissions, the Class Plaintiffs will be able to prove liability against the Companies on a Class-wide basis under Section 36 of the *Competition Act*. It is the position of the Class Plaintiffs that pursuant to Section 36(2) of the *Competition Act*, a guilty plea is rebuttable evidence of that party's liability in a civil action;
- (b) A-Z Foam acted in concert with Domfoam and Valle Foam and should therefore be jointly and severally liable with Domfoam and Valle Foam for the full amount of the Class Proofs of Claim;
- (c) The fact that the Companies participation in the cartel lasted for more than 10 years demonstrates that the Companies were effective in charging prices higher than what otherwise would have been the case absent the cartel;
- (d) The Class Plaintiffs maintained that in a price-fixing class action proceeding, the appropriate measure of damages is the aggregate overcharge received by the Defendant or paid by the Plaintiff. In this case, the gain obtained by the Companies will be the mirror image of the total loss suffered by the Class. Since both direct and indirect purchasers are included in the Class, the volume of commerce is determined by the amount of the relevant product sold into the Canadian market, which amounted to \$975,000,000 in sales by Domfoam and Valle Foam, plus the sales of A-Z Foam, during the relevant period. This volume of commerce, multiplied by the appropriate overcharge, determines the aggregate quantum of the Class Claim;
- (e) The Class Plaintiffs further maintained that the Companies must have been successful in implementing their conspiracy, and that a 10% proxy should be utilized for the price fixing overcharge, such that the value of the Class Proofs of Claim is 10% of the total volume of commerce sold to customers in Canada by the Companies, i.e. 10% of \$975,000,000 or \$97,500,000. The Class Plaintiffs argued that a 10% proxy is

appropriate since it is the practice of the Competition Bureau and of the U.S. Department of Justice to establish fines using a baseline of 20% of the volume of commerce to arrive at the appropriate fine. Of that amount, 10% is considered to be the estimate of the damages flowing from the overcharges, whereas the additional 10% is assessed for deterrence purposes;

- (f) The Class Plaintiffs submitted that, based on certain studies, the use of a 10% proxy for a price fixing overcharge is reasonable and consistent (or slightly below) the average overcharge found across price-fixing conspiracies in other historical cases; and
- (g) Even if prices would have risen absent the wrongful behaviour, the collusion among conspiracy members ensured that none of the cartel members absorbed some or all of the price increases which would have occurred in any event as a means to gain market share from other competitors in the industry.

43. The Companies dispute that the Companies should be liable to the Class Plaintiffs on a joint and several basis in the amount of \$97.5 million. It is the position of the Companies that:

- (a) It is not certain that the guilty plea by Domfoam and Valle Foam to an offence under the *Competition Act* would result in a finding of liability on a class-wide basis under the *Competition Act* in the Canadian Class Actions. The Companies stressed that Section 36(2) of the *Competition Act* only creates a rebuttable presumption of a contravention of the Act. In addition, a plea of guilty under Section 45 of the *Competition Act* is not an admission that any alleged price increases were implemented or that the alleged conspiracy was successful. The Companies noted that in the Statement of Admissions, Domfoam and Valle Foam indicate that certain discussions did not result in the implementation of a price increase;
- (b) In addition, the Companies maintained that the Class Plaintiffs had misread the bulletins and policy guidance of the Commissioner, and in the sentencing submissions as part of the plea, the Commissioner had disclaimed that it had performed any factual analysis of the alleged overcharge;
- (c) The Companies also argued that the Class Plaintiffs had arbitrarily assumed the existence of a 10% overcharge based on certain misapplied guidance and that the Class Plaintiffs had not conducted any factual analysis of the potential overcharge in this case, whereas

the Companies had certain information indicating that any discussions with competitors were discrete and did not result in a baseline price increase across the entire Class period;

- (d) The Companies should not be subject to joint and several liability for the claims of the Class Plaintiffs since there is no statutory language or other judicial authority under Section 36 of the *Competition Act* that suggests that liability under the statute is joint and several. The Companies also take the position that there is no evidence to support a finding of joint and several liability between the Companies or among the other defendants;
- (e) The Companies further maintain that during the period in which the alleged conspiracy had existed, the underlying price increases at issue were driven not by collusion but by the rising cost of raw materials and other input costs associated with the production of slab and foam. Since these inputs would have increased the price of slab and foam in any event notwithstanding the existence of certain discussions, and given that many of the price increases which the Companies attempted to implement were not successful either in whole or in part, the Companies disputed the existence of a baseline price increase across the entire Class period;
- (f) The Companies were small players in the foam and slab manufacturing business and were not price leaders but merely price followers. To the extent the Companies obtained any commercial advantage from the alleged behaviour, it amounted to only receiving certain limited advance notice of price increases which would be implemented by certain larger competitors, with the result that any potential damage to the Class was limited.

44. Following extensive negotiations between counsel to the Companies and counsel to the Class Plaintiffs, the parties have agreed to resolve the valuation of the Class Proofs of Claim on the following basis:

- (a) The Class Proofs of Claim will be valued at the total amount of CDN \$40 million, which includes any and all Claims that have or may be asserted on behalf of Class members as against the Companies in the BC, Ontario and Quebec Proceedings;
- (b) There will be no set-off against the foregoing amount in respect of any funds received by the class from the Individual Settling Parties under the Settlement Agreement;
- (c) Pursuant to Section 4.2 of the Settlement Agreement, the Companies agreed to assign to the Class Plaintiffs the Companies' right to receive any proceeds from the class action

proceedings pending before the United States District Court for the District of Kansas under the *In Re Urethane Antitrust Litigation* (the "US Urethane Proceedings"), provided that such assignment is limited to the maximum amount of the first \$200,000 the Companies may receive thereunder.

- (d) Other than the claims to which the Class is entitled in the CCAA Proceeding based on the agreed valuation of the Class claim at CDN \$40 million, on behalf of the Class, Class Counsel notwithstanding the prior settlement noted above, will waive any claim to the proceeds from the US Urethane Proceedings currently held by the Monitor in the amount of CDN \$200,000 or that may be received in the future, and will waive any claims relating to the purported assignment under the Settlement Agreement;
- (e) Without prejudice to any parties position in relation to the question of joint and several liability and/or contribution and indemnity, the \$40 million valuation is based on an assessment of the several liability of the Companies in relation to the liability of other Defendants in the Canadian Class Actions and is also based on an assessment of the several liability of the Companies as opposed to joint and several liability. More specifically, the valuation is allocated on a several basis in accordance with a 45/45/10 split as between the respective estates of Valle Foam, Domfoam and A-Z Foam;
- (f) The valuation is not based upon the value of any other Proven Claims in each estate;
- (g) The valuation is without any admission of liability by the Companies or the Individual Settling Parties in connection with the Canadian Class Actions or any other proceedings;
- (h) The valuation is subject to final approval by the Monitor as well as the Court. If the valuation is not approved by the Monitor or the Court, then the Companies or Class Counsel may elect to unilaterally terminate the settlement whereupon it shall be of no further effect; and
- (i) The valuation is without prejudice to the existing rights of the parties under the Settlement Agreement, but will finally determine the value of the Proofs of Claim.

45. The Monitor supports the resolution of the value of the Class Proofs of Claim as described above. The appropriate value to be attributed to the Class Proofs of Claim is dependent upon the damages suffered by the Class, that is the price which the Class would have paid for the products purchased from the Companies "but for" the overcharges alleged by the Class. Given that the cartel lasted for more than 10 years, the process of determining the "but for" pricing would be

time-consuming and significant, if it is even possible to ascertain. Determining the prices charged by the Companies during the conspiracy period would be difficult given that all of the Companies' assets have been sold and the Companies' books and records are now in the possession of the various purchasers. In addition, the evidence required by the Companies to support their position that price increases were largely a result of input cost increases during the period in which the alleged conspiracy was active would also be expensive and time consuming to obtain, if such information is actually available. In the Monitor's view, given the limited funds remaining in the Companies' estates available for distribution to the Companies' creditors, it is preferable to resolve the valuation of the Class Proofs of Claim as described above rather than engage in time consuming and costly litigation with the Class Plaintiffs. In the Monitor's view, the foregoing settlement is a reasonable resolution of the value to be ascribed to the Class Proofs of Claim and the Monitor recommends that the Court approve same on a future motion to be brought by the Companies.

STATUS OF CLAIM BY REVENU QUEBEC AGAINST DOMFOAM

46. Revenu Quebec filed a Proof of Claim in the amount of \$2,912,679.00. The Monitor, after consultation with the Applicants, disallowed the claim of Revenu Quebec in full on September 21, 2012. On October 5, 2012, Revenu Quebec issued a Notice of Dispute in the full amount of its original claim which has yet to be resolved. The Monitor has agreed to extend the time for Revenu Quebec to bring its motion before the Court to determine its claim to provide the parties an opportunity to resolve same.
47. The Companies have provided certain information requested by Revenu Quebec but, to date, the value of the Revenu Quebec claim remains in dispute.

STATUS OF CLAIM BY CRA AGAINST VALLE FOAM

48. In addition to the foregoing claim, CRA has now completed its review of Valle Foam's GST/HST returns for the period February 1, 2010 to September 30, 2012. The CRA has disallowed certain input tax credits previously claimed by Valle Foam since no payments have been made in respect of the accounts payable against which such input tax credits were claimed. The total amount of the disallowed input tax credits claimed prior to the date of the Initial Order, inclusive of

interest and penalties is \$310,857.53. Of this amount, CRA characterizes the sum of \$183,834.95 as pre-filing debt and the sum of \$127,022.58 as post-filing debt. A copy of the CRA Notice of Assessment is attached as Exhibit "J".

49. As disclosed in the Notice of Assessment, the pre-filing obligations relate to disallowed tax credits claimed during the period October 1 to November 30, 2010. The post-filing amounts relate to input tax credits claimed during the period December 1, 2011 to December 31, 2011 (\$91,572.09), December 1, 2012 to January 12, 2012 (\$31,210.80) and January 13, 2012 to January 31, 2012 (\$4,239.69). HST is payable by Valle Foam on the last day of the month immediately following the month in which HST is to be collected by Valle Foam. Pursuant to paragraph 7(b) of the Initial Order, the Companies are required to pay all goods and services or other applicable sales taxes accrued or collected prior to the date of the Initial Order, but not required to be remitted until on or after the date of the Initial Order. Accordingly, the Monitor does not object to payment by Valle Foam to CRA of HST in the amount of \$127,022.58 pursuant to paragraph 7(b) of the Initial Order.
50. The Monitor will address payment of the pre-filing HST amount claimed by CRA in connection with the Companies' subsequent motion to distribute funds to the Companies' creditors.

DOMFOAM LOAN REPAYMENT TO VALLE FOAM

51. In accordance with paragraph 31 of the Initial Order, Valle Foam was authorized to advance funds up to, but not exceeding \$1,000,000 to either A-Z Foam or Domfoam to be used for operating purposes (the "Valle Foam Loan"). A-Z Foam and Domfoam granted security to Valle Foam for the Valle Foam Loan. As noted in Prior Reports, Domfoam owes Valle Foam \$700,000 in respect of the Valle Foam Loan. The Claims Solicitation Procedure Order did not require Valle Foam to file a Proof of Claim in respect of any amounts outstanding under the Valle Foam Loan. Accordingly, the Monitor recommends that Domfoam repay its indebtedness to Valle Foam under the Valle Foam Loan to eliminate the accrual of any further interest on the amount outstanding under this loan.

APPROVAL OF AMENDED SIXTH REPORT

52. The Monitor filed its Sixth Report in support of the Companies' stay extension motion returnable on February 28, 2013. At the return of that motion, the Honourable Mr. Justice Newbould declined to approve the Sixth Report given certain language contained in the disclaimer paragraph in the Sixth Report. A copy of Justice Newbould's endorsement in connection with the Sixth Report is attached as Exhibit "K".
53. The Monitor has revised the Sixth Report to address this issue. Attached hereto as Exhibit "L" is the amended Sixth Report ("**Amended Sixth Report**"), without exhibits, reflecting changes to the non-reliance language contained in paragraph 11 and certain additional qualifications regarding the collectability of the Companies' accounts receivable in paragraph 39. The exhibits to the Amended Sixth Report have not changed from the exhibits to the original Sixth Report, with the result that all parties on the Service List have previously received the exhibits to the Amended Sixth Report.
54. The Monitor submitted the amended Sixth Report to Justice Newbould. Justice Newbould has confirmed to the Monitor that the amended Sixth Report is acceptable and that the Monitor may seek approval thereof at the return of the Companies' stay extension motion on December 17, 2013.

ACTIVITIES OF THE MONITOR

55. The Monitor has undertaken the following activities since the date of the Monitor's Seventh Report:
- (a) Met with Class Counsel and the Companies' counsel with a view to resolving the appropriate valuation of the Class Proofs of Claim;
 - (b) Assisted the Companies in attempting to resolve the outstanding claim by Revenu Quebec, described below, which is the only unresolved claim against the Companies, other than certain late filed claims as described in the Fifth Report;
 - (c) Engaged with CRA on the appropriate amount of its claim against Valle Foam in respect of unremitted HST both prior to and following the date of the Initial Order, described in more detail below;

- (d) Assisted counsel to Valle Foam in collecting outstanding accounts receivable; and
- (e) monitored the financial position of the Applicants, and prepared this Eighth Report.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

- 56. Attached as Exhibit "M" is the Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to December 9, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, reimbursement of legal fees and other receipts are \$6,377,720.33. Total disbursements are \$885,123.85. Net cash on hand as of the date hereof is \$5,492,596.48.
- 57. Attached as Exhibit "N" is the Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to December 9, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, U.S. Urethane settlement funds and other receipts are \$4,587,230.75. Total disbursements are \$1,438,105.35. Net cash on hand as at December 9, 2013 is \$3,149,125.40.
- 58. Attached as Exhibit "O" is the Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to December 9, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, U.S. Urethane settlement funds and other receipts are \$1,194,147.14. Total disbursements are \$347,389.91. Net cash on hand as at December 9, 2013 is \$846,757.23.

PROFESSIONAL FEES

- 59. The Monitor and its independent legal counsel, Thornton Grout Finnigan LLP ("TGF") have maintained detailed records of their professional time and costs since the issuance of the Initial Order. Pursuant to paragraph 29 of the Initial Order, the Monitor and TGF were directed to pass their accounts from time to time before this Court.
- 60. The total fees of the Monitor during the period from July 1, 2013 to December 6, 2013 amount to \$33,410.50, together with expenses and disbursements in the amount of \$74.00 and harmonized sales tax ("HST") in the amount of \$4,352.99, totalling \$37,837.49 (the "Monitor Fees"). The

time spent by the Monitor is more particularly described in the Affidavit of Catherine Hristow of Deloitte Restructuring Inc., sworn December 12, 2013, sworn in support hereof and attached hereto as Exhibit "P".

61. The total legal fees incurred by the Monitor during the period July 1, 2013 to November 30, 2013 for services provided by TGF as the Monitor's independent legal counsel amount to \$74,667.50, together with disbursements in the amount of \$352.18 and HST in the amount of \$9,752.57, totalling \$84,772.25. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn December 12, 2013 in support hereof and attached hereto as Exhibit "Q".

ALLOCATION OF PROFESSIONAL FEES

62. As noted in the Seventh Report, the Applicants, with the concurrence of the Monitor, have determined that the appropriate pro rata allocation of professional fees to Valle Foam, Domfoam and A-Z Foam should be 45%, 45% and 10% respectively. Ongoing payment of the Monitor's fees, and legal fees incurred by the Monitor and the Applicants are paid on the above-noted prorated basis.
63. Valle Foam also gave retainers to a number of law firms prior to January 12, 2012. As the law firms draw down on their retainers, Domfoam and A-Z Foam repay Valle Foam their respective proportionate share.

EXTENSION OF THE STAY PERIOD

64. The Companies have asked the Court to approve an extension of the Stay Period from December 31, 2013 to April 30, 2014. The basis for this request is to allow time for resolution of the Revenu Quebec claim, to collect the remaining Valle Foam accounts receivable and to formulate a distribution methodology for creditors holding Proven Claims.
65. The Monitor believes that the Companies are acting in good faith and with due diligence and the Monitor therefore supports the stay extension to April 30, 2014.

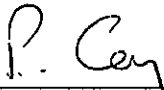
MONITOR'S RECOMMENDATIONS

66. For the reasons set out above, the Monitor recommends that:
- (a) the Stay Period be extended until April 30, 2014;
 - (b) Domfoam repay the Valle Foam Loan;
 - (c) the Amended Sixth Report and the activities of the Monitor as described in the Amended Sixth Report be approved
 - (d) the Eighth Report and the activities of the Monitor as described in the Eighth Report be approved; and
 - (e) the professional fees and disbursements of the Monitor and TGF be approved and the Companies be authorized to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 13th day of December, 2013.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the Monitor
of the Companies (as defined herein),
and without personal or corporate liability

Per:



Paul M. Casey, CPA, CA, CIRP
Senior Vice-President

TAB A

EXHIBIT "A"

Court File No. CV-12-9545-00CL



ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 12th
JUSTICE NEWBOULD)
DAY OF JANUARY, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF VALLE
FOAM INDUSTRIES (1995) INC., DOMFOAM
INTERNATIONAL INC., and A-Z SPONGE & FOAM
PRODUCTS LTD.

(the "Applicants")

INITIAL ORDER

THIS APPLICATION, made by Valle Foam Industries (1995) Inc., Domfoam International Inc., and A-Z Sponge & Foam Products Ltd. (hereinafter, collectively referred to as the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tony Vallecoccia sworn January 11, 2012 and the exhibits thereto (the "Vallecoccia Affidavit"), and on hearing the submissions of counsel for the Applicants, no one else appearing although duly served as appears from the affidavit of service of Victoria Stewart sworn January

11, 2012, and on reading the consent of Deloitte & Touche Inc. to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that one or more of the Applicants, individually or collectively, shall have the sole authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the "Business") and

Property. The Applicants shall each be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, appraisers, accountants, counsel and such other persons (collectively, "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that, the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, compensation, salaries, employee and pension benefits, vacation pay and expenses (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, incentive plans, share compensation plans, and employee assistance programs and employee or employer contributions in respect of pension and other benefits), and similar pension and/or retirement benefit payments, commissions, bonuses and other incentive payments, payments under collective bargaining agreements, and employee and director expenses and reimbursements, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) compensation to employees in respect of any payments made to employees prior to the date of this Order by way of the issuance of cheques or electronic transfers are subsequently dishonoured due to the commencement of these proceedings; and

- (c) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including any payments made to Assistants prior to the date of this Order by way of the issuance of cheques or electronic transfers that are subsequently dishonoured due to the commencement of these proceedings; and
- (d) amounts owing for goods and services actually supplied to the Applicants, or to obtain the release of goods contracted for prior to the date of this Order by other suppliers, solely where such goods were ordered by the Applicants or any of them after November 30, 2011 on the express understanding that such goods or services were to be paid for on a cash on delivery basis and in respect of which such payment has not been made by the Applicants or any of them.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment, including the posting of letters of credit, for goods or services actually supplied or to be supplied to the Applicants following the date of this Order;

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed, terminated, repudiated or resiliated in accordance with the CCAA, the Applicants

shall pay all amounts constituting rent or payable as rent under their respective real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations, and to dispose of non-profitable, redundant or non-material assets and operations, and to dispose and sell such assets or operations not exceeding \$100,000.00 in any one transaction or \$1 million in the aggregate;

- (b) terminate the employment of such of their employees or lay off or temporarily or indefinitely lay off such of their employees as the relevant Applicant deems appropriate on such terms as may be agreed upon between the relevant Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan
- (c) in accordance with paragraphs 10 (a) and (d), vacate, abandon, resiliate, or quit any leased premises and/or disclaim, cancel, terminate or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days notice in writing to the relevant landlord on such terms as may be agreed upon between the Applicants and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;
- (d) disclaim, terminate, repudiate or resiliate, in whole or in part, with the prior consent of the Monitor or further Order of the Court, such of their arrangements, agreements or contracts of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with Section 32 of the CCAA, with such disclaimers, repudiation, termination, or resiliations to be on such terms as may be agreed upon between the relevant Applicants and such counter-parties, or failing such agreements, to deal with the consequences thereof in the Plan; and
- (e) pursue all avenues of refinancing of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring or winding down of some or all of the respective Business (the "Restructuring").

11. **THIS COURT ORDERS** that the Applicants shall each provide each of the relevant landlords with notice of the relevant Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Applicant, or by further Order of this Court upon application by the relevant Applicant on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims, resiliates, repudiates or terminates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer, termination or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a lease is repudiated or if a notice of disclaimer or termination or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, termination, repudiation or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant's and the Monitor 24 hours' prior written notice, and

(b) at the effective time of the disclaimer or termination or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including February 10, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the

Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, authorization, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all waste disposal service providers, all computer software, information technology services, communication and other data services, programming supply, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be

entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers (or their estates) of the Applicants with respect to any claim against such directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment, performance or breach of such obligations, acts, or actions until a compromise or arrangement in respect of

the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Applicants shall jointly indemnify their directors and officers from and against all claims, costs, charges, expenses, obligations and liabilities that they may incur as directors or officers of the Applicants, after the date hereof except to the extent that, with respect to any officer or director, such claim, cost, charge, expense, obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$1 million as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraph 32 herein.

21. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that Deloitte & Touche Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist and advise the Applicants in their development of the Plan or winding down, downsizing and any amendments to the Plan, any restructuring steps taken pursuant to paragraphs 5 and 10 hereof, and the implementation of the Plan;
- (d) advise the Applicants in the preparation of their cash flow statements;

- (e) assist and advise the Applicants, to the extent required by the Applicants, with the negotiations with creditors and the holding and administering of creditors' (or shareholders' meetings) for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) consider, and if deemed advisable by the Monitor, prepare a report as an assessment of the Plan;
- (i) assist the Applicants with their continuing restructuring activities, including the assessment and analysis of any proposed sale of assets or closure of facilities;
- (j) advise and assist the Applicants, as requested, in their negotiations with suppliers, customers and other stakeholders; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder,

be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential,

the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings, including completing and implementation of the settlements with the class action plaintiffs. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on an hourly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amounts of \$150,000.00 and \$50,000.00, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$500,000.00, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings, including completing the settlements with the class action plaintiffs. The Administration Charge shall have the priority set out in paragraph 32 hereof.

31. **THIS COURT ORDERS** that Valle Foam Industries (1995) Inc. ("Valle Foam") shall be authorized to advance funds up to, but not exceeding \$1 million to either of A-Z Sponge & Foam Products Ltd. ("A-Z") or Domfoam International Inc. ("Domfoam") to be used for operating purposes of Domfoam or A-Z, as the case may be, provided that i) no such loan shall be advanced without the prior written consent of the Monitor, ii) that any such loan shall be properly documented and subject to such terms, including rates of interest, if any, which the Monitor deems reasonable in the circumstances, and iii) that any such loan shall be secured by way of a general security agreement which shall provide a first in priority charge on the assets of Domfoam subject only to the priority of the charges granted hereunder. The Applicants may, prior to the advance of any funds, attend to seek a further order of this court to grant a specific charge if the Applicants or the Monitor deem it appropriate or necessary to do so.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$●); 500,000 ✓

Second – Directors' Charge (to the maximum amount of \$●). 1,000,000 ✓

mit ✓

33. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge or the Administration Charge, (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. **THIS COURT ORDERS** that each of the Directors' Charge or the Administration Charge, (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

35. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or Administration Charge, unless the Applicants also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

36. **THIS COURT ORDERS** that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s)

for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not be deemed to constitute a breach by any of the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers, settlements at undervalue, oppressive conduct, or other challengeable or void or voidable transactions or reviewable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ ^{the Globe and Mail} a notice containing the information

prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. **THIS COURT ORDERS** that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.deloitte.com/ca/vallefoam.

GENERAL

41. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

43. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that the Monitor is hereby authorized, as the foreign representative of the Applicants, to apply for recognition of these proceedings as "Foreign Main Proceedings" in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.


45. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this

Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

46. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

47. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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SECRETARIAT DE LA COUR
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JAN 12 2012

SECRETARIAT DE LA COUR



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VALLE FOAM INDUSTRIES
(1995) INC., DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM PRODUCTS LTD.

Court File No. CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

INITIAL ORDER

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Toronto ON M5H 4G2

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Lawyers for the Applicants

TAB B

EXHIBIT ^{uB}

The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below. This document has been entered electronically in the record of the United States Bankruptcy Court for the Northern District of Ohio.



Mary Ann Whipple
United States Bankruptcy Judge

Dated: February 24 2012

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

_____)	
In re:)	Case Nos. 12-30214
)	(Jointly Administered)
VALLE FOAM INDUSTRIES (1995))	
INC., et. al.¹)	Chapter 15
)	
Foreign Applicants in Foreign)	Judge Mary Ann Whipple
Proceedings.)	
_____)	

**ORDER GRANTING RECOGNITION OF FOREIGN MAIN
PROCEEDINGS AND OTHER CHAPTER 15 RELIEF**

Upon the Verified Chapter 15 Petitions (the “Chapter 15 Petitions”) filed by Deloitte & Touche Inc., the court appointed Monitor (the “Monitor”) of Valle Foam Industries (1995) Inc. (“Valle Foam”), Domfoam International Inc. (“Domfoam”), and A-Z Sponge & Foam Products Ltd. (“A-Z” and, together with

¹ The Foreign Applicants include Valle Foam Industries (1995) Inc., Domfoam International, Inc., and A-Z Sponge & Foam Products Ltd.

² Capitalized terms not defined herein shall have the meanings given to them in the Declaration

{K0289088.1}

Valle Foam and Domfoam, the “**Valle Foam Group**”) in proceedings (the “**Canadian Proceedings**”) under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pending before the Ontario Superior Court of Justice (Commercial List) (the “**Ontario Court**”), and upon the statements and affirmations made and contained therein, and the Court having reviewed the Chapter 15 Petitions and the Declarations filed contemporaneously with the Chapter 15 Petitions and the exhibits attached thereto, including a certified copy of the Initial Order entered by the Ontario Court on January 12, 2012 (the “**Canadian Order for Relief**”); and a hearing having been held on the 23rd day of February, 2012 (the “**Recognition Hearing**”); and upon the oral statements of counsel for the Monitor; and the Court having reviewed the Notice of the filing of the Chapter 15 Petitions and of the Recognition Hearing and its certificate of service [Dkt No. 15], which notice is deemed adequate for all purposes such that no other or further notice need be given; and the Court having determined that the legal and factual bases set forth in the Chapter 15 Petitions and all other pleadings and proceedings in this case establish just cause to grant the relief ordered herein, and after due deliberation therefore,

THE COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as

such. To the extent that any conclusions of law constitute finds of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 11 U.S.C. §§ 1334 and 157(a) of the Bankruptcy Code and General Order 84 entered on July 16, 1984 by the United States District Court for the Northern District of Ohio. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). Venue is proper before this Court pursuant to 28 U.S.C. § 1410(2).

C. The Monitor is a “person” within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed “foreign representative” of the Valle Foam Group within the meaning of section 101(24) of the Bankruptcy Code.

D. The Chapter 15 cases of Valle Foam, Domfoam and A-Z (the “**Chapter 15 Cases**”) were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

E. The Monitor has satisfied the requirements of section 1515 of the Bankruptcy Code and Rule 2002(q) of the Federal Rules of Bankruptcy Procedure.

F. The Canadian Proceedings are a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code.

G. The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

H. The Canadian Proceedings are pending in Canada, which is the location of each member of the Valle Foam Group’s center of main interests, and

accordingly, the Canadian Proceedings are a “foreign main proceeding” pursuant to section 1502(4) of the Bankruptcy Code and are entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

I. The Monitor is entitled to all the automatic relief provided by section 1520 of the Bankruptcy Code, without limitation.

J. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520, and 1521 of the Bankruptcy Code.

NOW, THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code.

2. All relief afforded foreign main proceedings pursuant to section 1520 of the Bankruptcy Code is hereby granted to each member of the Valle Foam Group, including, without limitation, the stay under section 362 throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.

3. The stay pursuant to section 362(a)(1) of the Bankruptcy Code is hereby modified and limited in the following respects:

- (a) The stay shall not stay any act pertaining to finalizing the Settlements;² and
- (b) The stay shall not stay the filing of a new complaint against any member of the Valle Foam Group, but shall stay any act to continue such litigation after the filing of the complaint, including service of process on any member of the Valle Foam Group.

4. The Canadian Order for Relief (and any extensions, amendments or modifications thereof as may be granted from time to time by the Ontario Court) shall be granted comity and is hereby given full force and effect in the United States to the same extent that it is given effect in Canada.

5. The Monitor is hereby recognized as the “foreign representative” in these bankruptcy proceedings, and may exercise the rights and powers of a trustee under and to the extent provided by section 1520 of the Bankruptcy Code.

6. The Monitor, the members of the Valle Foam Group, and each of their successors, agents, representatives, advisors or counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code.

7. A copy of this Order, conformed to be true and correct, shall be served, within three business days of the entry of this Order, by facsimile, electronic mail or overnight express delivery, upon all persons or bodies authorized to administer foreign proceedings of the Valle Foam Group, all

² Capitalized terms not defined herein shall have the meanings given to them in the Declaration in Support of the Chapter 15 Petitions [Dkt. No. 2].

entities against whom provisional relief was granted under section 1519 of the Bankruptcy Code, all parties to litigation pending in the United States in which any member of the Valle Foam Group was a party at the time of the filing of the Chapter 15 Petitions, the United States Trustee, and such other entities as the Court may direct. Such service shall be good and sufficient service and adequate notice for present purposes.

8. The Chapter 15 Petitions and any supporting papers shall be made available by the Monitor through its website at <http://www.deloitte.com/ca/Vallefoam> or upon request at the offices of Kohrman Jackson & Krantz P.L.L., One Cleveland Center, 20th Floor, 1375 East 9th St., Cleveland, Ohio, 44114, to the attention of Mary K. Whitmer or James W. Ehrman, (216) 686-8700, mkw@kjk.com or jwe@kjk.com.

9. This Court shall have continuing jurisdiction to the fullest extent permitted by law with respect to: (i) the enforcement, amendment or modification of this Order; (ii) any requests for further or additional relief or any adversary proceeding filed by the Monitor or any other party in interest; and (iii) any request by a person or entity for relief from the provisions of this Order, for cause shown.

10. This Order shall be immediately effective and enforceable upon its entry, and upon its entry shall become final and appealable, notwithstanding Bankruptcy Rule 7062 made applicable to chapter 15 cases by Bankruptcy Rule 1018.

###

Prepared and Submitted by:

KOHRMAN JACKSON & KRANTZ P.L.L.

/s/ Mary K. Whitmer

Mary K. Whitmer (0018213)

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*Counsel for Deloitte & Touche Inc.,
the Foreign Representative of Valle
Foam Industries (1995) Inc.,
Domfoam International Inc., and
A-Z Sponge & Foam Products Ltd.*

TAB C

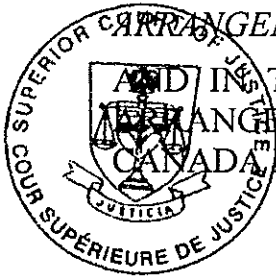
EXHIBIT "C"

Court File No. CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE 15th DAY
JUSTICE BROWN) OF JUNE, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

**ORDER
(Claims Solicitation Procedure)**

THIS MOTION, made by 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.), 4362063 Canada Ltd. (formerly Domfoam International Inc.) and A-Z Sponge & Foam Products Ltd. (collectively, the "**Applicants**") for an order approving a procedure for the solicitation of claims against any or all of the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tony Vallecoccia sworn June 12, 2012, and the Fourth Report of Deloitte & Touche Inc., the Court-appointed monitor (the "**Monitor**"), and on hearing the submissions of counsel to the Applicants, the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

1. **THIS COURT ORDERS** that for purposes of this Order, in addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) **“Applicants”** means 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.), 4362063 Canada Ltd. (formerly Domfoam International Inc.) and A-Z Sponge & Foam Products Ltd.;
- (b) **“Business Day”** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) **“CCAA”** means the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;
- (d) **“CCAA Proceeding”** means the proceeding commenced by the Applicants in the Court at Toronto under Court File No. CV-12-9545-00CL;
- (e) **“Claim”** means any Prefiling Claim or Postfiling Claim;
- (f) **“Claims Bar Date”** means 5:00 p.m. (Eastern Standard time) on August 31, 2012, or any later date ordered by the Court;

- (g) **“Claims Solicitation Procedure”** means the procedures outlined in this Order, as they may be amended by further order of the Court, including the Schedules hereto;
- (h) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (i) **“Creditor”** means any Person asserting a Claim or a D&O Claim;
- (j) **“D&O Claim”** means any right of any Person against one or more of the Directors and Officers (as defined below) which arose as a result of their position, supervision, management or involvement as Director and Officer, where such right arose on or before June 15, 2012, and whether enforceable in any civil, administrative or criminal proceedings;
- (k) **“DIP Loan”** means the loan by 3113736 Canada Ltd. (formerly known as Valle Foam Industries (1995) Inc.) to either A-Z Sponge & Foam Products Ltd. or 4362063 Canada Ltd. (formerly known as Domfoam International Inc.) in an amount not exceeding \$1,000,000 as authorized by the Court in the CCAA Proceeding;
- (l) **“Directors and Officers”** means
 - (i) the current and former directors of any of the Applicants; and
 - (ii) the current and former officers of any of the Applicants;
- (m) **“Distribution”** means any distribution within the CCAA Proceeding of the proceeds of the Applicants’ assets;

- (n) **“Excluded Claim”** means (i) any claim secured by any of the Charges as defined in the Initial Order (as defined below); (ii) the DIP Loan; and (iii) any Intercompany Claim (as defined below);
- (o) **“Filing Date”** means January 12, 2012;
- (p) **“Initial Order”** means the Initial Order of the Honourable Mr. Justice Newbould dated January 12, 2012 in the CCAA Proceeding;
- (q) **“Intercompany Claim”** means any claim by any of the Applicants against one or more of the Applicants, whether secured or unsecured but not including the DIP Loan;
- (r) **“Known Creditor”** means any Person, based on the financial or other records of an Applicant as of the Filing Date, who had or may be entitled to assert, a Claim, where monies in respect of such Claim remain unpaid in full or in part, without acknowledging in any respect the validity or existence of any such Claim;
- (s) **“Monitor’s Website”** means <http://www.deloitte.com/ca/vallefoam>;
- (t) **“Notice to Creditors of Claims Bar Date”** means the notice for publication substantially in the form attached as Schedule “A”;
- (u) **“Notice of Dispute”** means a form substantially in accordance with the form attached as Schedule “E”;
- (v) **“Notice of Revision or Disallowance”** means a form substantially in accordance with the form attached as Schedule “D”;
- (w) **“Person”** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, pension

plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or similar entity, howsoever designated or constituted;

- (x) **“Postfiling Claim”** means any right or claim of any Person, or class of Persons or representative Person, against one or more of the Applicants whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of one or more of the Applicants which came into existence after the Filing Date but before the Claims Bar Date, any accrued interest thereon and costs payable in respect thereof, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature;

- (y) **“Prefiling Claim”** means any right or claim of any Person, or class of Persons or representative Person, against one or more of the Applicants whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of one or more of the Applicants in existence on the Filing Date, any accrued interest thereon and costs payable in respect thereof to and including the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is

executory or anticipatory in nature, and includes any other claims that would have been claims provable in bankruptcy had the Applicants become bankrupt on the Filing Date;

- (z) **“Proof of Claim”** means the aggregate of the documentation submitted by a Creditor pursuant to the Claims Solicitation Procedure to evidence its Claim which shall include the Proof of Claim form attached hereto as Schedule “B”;
- (aa) **“Proof of D&O Claim”** means the aggregate of the documentation submitted by a Creditor pursuant to the Claims Solicitation Procedure to evidence its D&O Claim which shall include the Proof of D&O Claim form attached hereto as Schedule “C”;
- (bb) **“Proven Claim”** means a Claim filed by the Claims Bar Date in respect of which the Monitor has not sent a Notice of Revision or Disallowance to the Creditor asserting the Claim and which the Monitor accepts or is deemed to accept for distribution purposes pursuant to the Claims Solicitation Procedure;
- (cc) **“Surviving Claim”** means a Claim to which CCAA subsection 19(2) applies; and
- (dd) **“Surviving D&O Claim”** means a D&O Claim to which CCAA subsection 5.1(2) applies.

ADMINISTRATION OF THE CLAIMS SOLICITATION PROCEDURE

2. **THIS COURT ORDERS** that the Claims Solicitation Procedure shall govern the solicitation of Claims against the Applicants and the D&O Claims against the Directors and Officers of the Applicants and shall be conducted and

administered by the Monitor with the assistance of the Applicants except as otherwise provided for in this Order. No Creditor may participate in the Distribution if such Claim has not been reviewed, accepted and valued in accordance with this Claims Solicitation Process, subject to any further Order of this Court.

3. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and under the Initial Order, is hereby directed and empowered to administer and implement the Claims Solicitation Procedure on the terms set out in this Order and the Monitor may take any steps and fulfill such other roles as are contemplated by this Order or which it believes are incidental or necessary for the implementation of the Claims Solicitation Procedure. The Monitor may seek advice and directions from the Court in respect of any aspect of the Claims Solicitation Procedure, including any of the Monitor's obligations provided for in this Order.

4. **THIS COURT ORDERS** that the Monitor is authorized and directed to use reasonable discretion as to adequacy of compliance with the Claims Solicitation Procedure and the terms of this Order including, without limitation, with respect to the manner in which a Proof of Claim, Proof of D&O Claim, Notice of Dispute or any other notices or documents are completed and executed and may, where it is satisfied that a Claim or D&O Claim has been adequately filed or, in the case of a Claim, proven, waive strict compliance with the requirements of this Order as to completion, execution and delivery of Proofs of Claim, Proofs of D&O Claim, Notices of Dispute or any other notice or document contemplated by the Claims Solicitation Procedure and request any further documentation the Monitor may require in order to enable it to determine the validity of a Claim; provided that nothing in this Order shall confer upon the Monitor or the Applicants the discretion

or authority to amend or to extend the Claims Bar Date without a further Order of this Court.

5. **THIS COURT ORDERS** that the Monitor shall not have any responsibility or liability with respect to any information, confidential or otherwise, including without limitation, a Proof of Claim, a Proof of D&O Claim, a Notice of Dispute or otherwise, distributed, circulated, or released, whether intentionally or unintentionally, by the Monitor relating to the exercise of its powers and discharge of its obligations under this Order. The Monitor shall be entitled to rely upon the Applicants' advice and the Applicants' books and records for all purposes including establishing the names and addresses of Known Creditors. In addition to the rights and protections afforded to the Monitor under the CCAA and the Initial Order or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the fulfillment of its duties in the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

6. **THIS COURT ORDERS** that the Applicants shall advise the Monitor of all Known Creditors, including the amounts owed to all Known Creditors and their last known address pursuant to the Applicants' books and records, and that the Monitor shall be entitled to rely upon the accuracy and completeness of the information provided by the Applicants regarding the Known Creditors. For greater certainty, the Monitor shall have no liability in respect of the information provided to it regarding the Known Creditors and shall not be required to conduct any independent inquiry and/or investigation with respect to such information.

SOLICITATION OF CLAIMS

7. THIS COURT ORDERS that:

- (a) the Monitor shall cause the Notice to Creditors of Claims Bar Date to be published in each of The Globe and Mail (national edition) and La Presse as soon as practicable after the date of this Order;
- (b) the Monitor shall cause the Notice to Creditors of Claims Bar Date to be posted on the Monitor's Website as soon as practicable after the date of this Order and cause it to remain posted until its discharge as Monitor of the Applicants;
- (c) the Monitor shall, as soon as practicable after the date of this Order, mail to all Known Creditors at the last known address for such Known Creditor on the Applicants' books and records a Notice to Creditors of Claims Bar Date, a Proof of Claim form, a Proof of D&O Claim form substantially in the form attached as Schedules "B" and "C" to this Order and an instruction letter regarding the completion of the Proof of Claim and Proof of D&O Claim forms by a Creditor; and
- (d) the Monitor shall, as soon as practicable following receipt of a request therefor and provided such request is received prior to the Claims Bar Date, deliver a copy of the Proof of Claim or Proof of D&O Claim form as applicable to any Person claiming to be a Creditor and requesting such material, or in the alternative, notify such Person that it may obtain an electronic copy of the Proof of Claim and Proof of D&O Claim forms on the Monitor's Website.

8. **THIS COURT ORDERS** that service and delivery of the Notice to Creditors of Claims Bar Date, Proof of Claim form, Proof of D&O Claim form, the Dispute Notice and any other correspondence or document from the Monitor to any Creditor or any other Person pursuant to the Claims Solicitation Procedure shall be by ordinary mail, prepaid registered mail, courier, personal delivery, electronic communication or facsimile transmission. Any such service and delivery by the Monitor for all purposes under this Order shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by prepaid registered mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (iii) if by courier, on the next following Business Day for courier deliveries within Canada, and on the third following Business Day for courier deliveries outside of Canada; (iv) if sent by personal delivery, on the same date as delivery; (v) if sent by electronic communication, on the same date as the electronic communication is sent or, if sent on a day that is not a Business Day or after 5:00 p.m. (Eastern Standard Time) on a Business Day, the following Business Day; and (vi) if sent by fax, on the date on which the Monitor receives a successful facsimile transmission report or, if sent on a day that is not a Business Day or after 5:00 p.m. (Eastern Standard Time) on a Business Day, the following Business Day

9. **THIS COURT ORDERS** that service by the Monitor of the Proof of Claim and Proof of D&O Claim forms on Creditors and publication of the Notice to Creditors of Claims Bar Date in the manner set forth in this Order shall constitute good and sufficient service upon the Creditors of notice of this proceeding, this Order, the Claims Bar Date and the related deadlines and procedures set forth

herein and that no other form of service or notice need be made by the Applicants or the Monitor to any Person, and no other document or material need be served on any Person in respect of the Claims Solicitation Procedure.

10. **THIS COURT ORDERS** that the form and substance of each of the Notice to Creditors of Claims Bar Date, Proof of Claim, Proof of D&O Claim, Notice of Revision or Disallowance and Notice of Dispute, substantially in the forms attached as schedules hereto, are hereby approved. Despite the foregoing, the Applicants and the Monitor may, from time to time, make minor changes to such forms as the Monitor considers necessary or desirable.

11. **THIS COURT ORDERS** that any Person asserting a Claim against one or more of the Applicants or a D&O Claim against one or more of the Directors or Officers shall file a Proof of Claim or a Proof of D&O Claim, as applicable (including all supporting documentation), with the Monitor by no later than the Claims Bar Date.

12. **THIS COURT ORDERS** that any Creditor with a Claim or a D&O Claim who does not deliver a completed Proof of Claim or Proof of D&O Claim, as applicable, to the Monitor in accordance with the Claims Solicitation Procedure by the Claims Bar Date, or such later date as this Court may otherwise order:

- (a) shall be forever barred from asserting or enforcing any Claim (other than a Surviving Claim) against any of the Applicants or a D&O Claim (other than a Surviving D&O Claim) against any of the Director or Officers, and the Applicants or any of them, and the Directors and Officers, or any of them, shall not have any liability whatsoever in respect of such Claim (other than a Surviving Claim) or D&O Claim (other than a Surviving D&O Claim), and any such

Claim (other than a Surviving Claim) or D&O Claim (other than a Surviving D&O Claim) shall be forever barred and extinguished;

- (b) shall not be entitled to any further notice of any Orders made or steps taken in the CCAA Proceeding; and
- (c) shall not be entitled to participate as a Creditor in the CCAA Proceeding and shall not be entitled to receive any funds pursuant to the Distribution.

13. **THIS COURT ORDERS** that Creditors with Excluded Claims shall not be required to file a Proof of Claim in this process, unless required to do so by further Order of this Court.

ADJUDICATION OF CLAIMS

14. **THIS COURT ORDERS** that there shall be no adjudication of the D&O Claims by the Applicants or the Monitor, pursuant to the Claims Solicitation Procedure Order, pending a further Order of this Court.

15. **THIS COURT ORDERS** the Monitor shall, with the assistance of the Applicants, review all Proofs of Claim (but not any Proofs of D&O Claim) delivered to the Monitor by the Claims Bar Date and shall accept, revise or reject each Claim as submitted therein. If the Monitor disputes a Claim in whole or in part, the Monitor shall by no later than 11:59 p.m. (Eastern Standard Time) on September 21, 2012, send to the Creditor who has submitted the disputed Claim a Notice of Revision or Disallowance indicating the reasons for the revision or disallowance.

16. **THIS COURT ORDERS** that the Monitor may attempt to resolve any disputed Claim with the Creditor prior to accepting, revising or disallowing such Claim.

17. **THIS COURT ORDERS** that any Claim received by the Claims Bar Date in respect of which the Monitor does not send a Notice of Revision or Disallowance by the deadline date referenced above shall be deemed a Proven Claim.

DISPUTE NOTICES

18. **THIS COURT ORDERS** that any Creditor who receives a Notice of Revision or Disallowance and who objects to the amount of the Claim set out in or any other provision of the Notice of Revision or Disallowance shall deliver to the Monitor on or before 5:00 p.m. (Eastern Standard Time) on October 5, 2012 a Notice of Dispute by registered mail, courier service or facsimile.

19. **THIS COURT ORDERS** that if a Creditor receives a Notice of Revision or Disallowance and does not file a Notice of Dispute by the time set out in paragraph 18 above, then the value of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

20. **THIS COURT ORDERS** that any Creditor who delivers a Notice of Dispute to the Monitor by the time set out in paragraph 18 above shall, unless otherwise agreed by the Monitor in writing, thereafter serve on the Monitor and the Applicants a notice of motion in the Court returnable not less 30 days after the service of the Notice of Dispute for determination of the Claim in dispute, failing which the value of such Creditor's Claim shall be deemed to be as set out in the applicable Notice of Revision or Disallowance.

SET-OFF

21. **THIS COURT ORDERS** that the Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made to any Creditor in respect of its Proven Claim, any claims of any nature whatsoever that any of the Applicants may have against such Creditor, however, neither the failure to do so nor the allowance of any Claim as a Proven Claim hereunder shall constitute a waiver or release by the Applicants of any such claim that the Applicants may have against such Creditor.

DISTRIBUTIONS

22. **THIS COURT ORDERS** that the Monitor and the Applicants shall not distribute any funds to Creditors holding Proven Claims prior to the approval by this Court of a distribution methodology to be proposed by the Monitor and/or the Applicants in a subsequent motion to this Court.

NOTICE OF TRANSFEREES

23. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or D&O Claim transfers or assigns the whole of such Claim or D&O Claim to another Person, neither the Monitor nor the relevant Applicant shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim or D&O Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant Applicant and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim or D&O Claim. Any such transferee or assignee of a Claim or D&O Claim shall be bound by any notices given or steps taken in respect of such Claim or D&O Claim in accordance with

this Order prior to receipt and acknowledgment by the relevant Applicant and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim or D&O Claim takes the Claim or D&O Claim subject to any rights of set-off to which the Applicants or the Directors and Officers may be entitled with respect to such Claim or D&O Claim respectively. For greater certainty, a transferee or assignee of a Claim or D&O Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims or D&O Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants or the Directors and Officers. Reference to transfer in this Order includes a transfer or assignment whether absolute or intended as security.

GENERAL PROVISIONS

24. **THIS COURT ORDERS** that any Creditor who submits a Proof of Claim or Proof of D&O Claim authorizes the Monitor to post the information contained therein to the Monitor's Website and that the Monitor shall have no liability for the information submitted other than as a result of gross negligence or wilful misconduct.

25. **THIS COURT ORDERS** that for the purposes of the Claims Solicitation Procedure, all Claims or D&O Claims which are denominated in United States dollars shall (i) in the case of Prefiling Claims or D&O Claims, be converted to Canadian dollars at the rate of 1.0198%, being the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars on the Filing Date; and (ii) in the case of Postfiling Claims, be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars on the date of the applicable Proof of Claim.

26. **THIS COURT ORDERS** that any document, notice or communication required to be filed with the Monitor by a Creditor pursuant to the terms of this Order must be delivered by facsimile, email or electronic transmission, personal delivery, courier or prepaid mail to:

Deloitte & Touche Inc.

181 Bay Street West
Suite 1400
Toronto, Ontario
M5J 2V1

Attention: Catherine Hristow

Telephone: (416) 775-8831
Facsimile: (416) 601-6690
E-mail: christow@deloitte.ca

27. **THIS COURT ORDERS** that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Solicitation Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

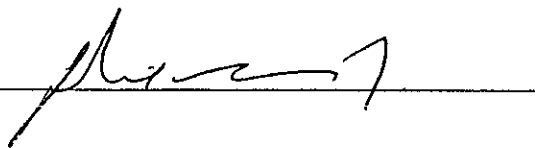
28. **THIS COURT ORDERS** that references to the singular include the plural and to the plural include the singular.

29. **THIS COURT ORDERS** that in the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be delivered by email, facsimile transmission, personal delivery or courier and any notice or other communication given or made by prepaid mail within the seven (7) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been delivered. All such notices and communications shall be deemed to have been received, in the case of notice

by email, facsimile transmission, personal delivery or courier prior to 5:00 p.m. (Eastern standard Time) on a Business Day, when received, if received after 5:00 p.m. (Eastern Standard Time) on a Business Day or at any time on a non-Business Day, on the next following Business Day, and in the case of a notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed.

30. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court or any judicial, regulatory or administrative body of the United States and the States or other subdivisions of the United States and of any nation or state to act in aid of and be complimentary to this Court in carrying out the terms of this Claims Solicitation Procedure Order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JUN 15 2012

SCHEDULE "A"

Court File No.: CV-12-9545-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

NOTICE OF CLAIMS SOLICITATION PROCEDURE AND

CLAIMS BAR DATE REGARDING:

3113736 CANADA LTD. (FORMERLY VALLE FOAM
INDUSTRIES (1995) INC.,
4362063 CANADA LTD. (FORMERLY DOMFOAM
INTERNATIONAL INC.) AND
A-Z SPONGE & FOAM PRODUCTS LTD.

By Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated January 12, 2012 (the "Initial Order"), the Applicants listed above filed for and obtained relief from their creditors under the *Companies Creditors' Arrangement Act* (the "CCAA"). Pursuant to the Initial Order, Deloitte & Touche Inc. was appointed by the Court as monitor in the Applicants' CCAA proceeding (the "Monitor").

By Order of the Court dated June 15, 2012 (the "Claims Solicitation Procedure Order"), a process was established for creditors to prove claims against the Applicants in existence as at the date of the Initial Order or with respect to Postfiling Claims (as defined below) or with respect to claims against the current or former Directors and Officers of the Applicants which arose on or before June 15, 2012. Capitalized terms in this notice are as defined in the Claims Solicitation

Procedure Order, a copy of which can be found on the Monitor's Website: <http://www.deloitte.com/ca/vallefoam>.

In accordance with the Claims Solicitation Procedure Order, the Monitor shall mail to all known creditors ("**Known Creditors**") of the Applicants a Proof of Claim form together with this notice. Any Creditor who does not receive a Proof of Claim form may obtain this form on the Monitor's Website, <http://www.deloitte.com/ca/vallefoam> or by contacting the Monitor directly as follows: (i) by email: christow@deloitte.ca; (ii) by mail at Deloitte & Touche Inc., 181 Bay Street West, Suite 1400, Toronto, Ontario, M5J 2V1, attention: Catherine Hristow; or (iii) by facsimile at (416) 601-6690.

In accordance with the Claims Solicitation Procedure Order, any Person or representative class of Persons who wishes to assert a claim against one of more of the Applicants (each, a "**Claim**") which arose (i) at any time up to January 12, 2012; (ii) at any time after January 12, 2012 (a "**Postfiling Claim**") must complete and deliver the Proof of Claim form to the Monitor by mail, fax, e-mail, courier or hand delivery by **no later than 5:00 p.m. (Eastern Standard Time) on August 31, 2012** or such other date as ordered by the Court (the "**Claims Bar Date**").

In accordance with the Claims Solicitation Procedure, any Person or representative class of Persons who wishes to assert a claim against one of more of the current or former Directors and Officers of the Applicants which arose on or before June 15, 2012 (each, a "**D&O Claim**") must complete and deliver the Proof of D&O Claim form to the Monitor by mail, fax, e-mail, courier or hand delivery by **no later than the Claims Bar Date**.

IF YOUR PROOF OF CLAIM OR PROOF OF D&O CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE, YOUR CLAIM AGAINST THE APPLICANTS OR THE OFFICERS AND DIRECTORS WILL BE BARRED AND EXTINGUISHED FOREVER.

A Proof of Claim which is disputed by the Monitor will be addressed in the manner set out in the Claims Solicitation Procedure Order.

Address of the Monitor:

Deloitte & Touche Inc.
181 Bay Street West
Suite 1400
Toronto, Ontario
M5J 2V1

Attention: Catherine Hristow
Telephone: (416) 775-8831
Facsimile: (416) 601-6690
E-mail: christow@deloitte.ca

Dated at _____ this _____ day of _____, 2012.

#1900657

SCHEDULE "B"

DELOITTE & TOUCHE INC., solely in its capacity as the Court-appointed Monitor of the Applicants, and without personal or corporate liability • • • Telephone: (416) 775-8831 Telecopier: (416) 601-6690 Email: christow@deloitte.ca		OFFICE USE ONLY

		Date Received _____

Court File No.: CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD.,
and A-Z SPONGE & FOAM PRODUCTS LTD.**

(the "Applicants")

PROOF OF CLAIM

I. DESCRIPTION OF DEBTOR, CREDITOR AND NATURE OF CLAIM

Name of entity against which claim is being made: *(Check appropriate box in following list. If claims are being made against more than one entity, use a separate Proof of Claim form for each entity.)*

- 3113736 Canada Ltd. (formerly known as Valle Foam Industries (1995) Inc.)
- 4362063 Canada Ltd. (formerly known as Domfoam International Inc.)
- A-Z Sponge & Foam Products Ltd.

(hereinafter the "**Debtor**")

Name of person asserting a claim against the Debtor: _____
(hereinafter the "**Creditor**")

Individual: Corporation: Other: Specify: _____

If individual, Creditor's Social Insurance Number: _____

If corporation, Business Identification Number: _____

Address of Creditor: _____

Telephone number of Creditor:

E-mail address of Creditor:

Fax number of Creditor:

I, _____, of _____, do hereby certify:
(Name) *(City and province)*

1. That I am a Creditor of the Debtor

or that I am _____ of _____
(State position or title) *(Name of Creditor)*

a Creditor of the Debtor.

2. That I have knowledge of all the circumstances connected with the claim referred to in this form.

3. *(Check and complete appropriate category:)*

That, as at January 12, 2012, the Creditor had and still has an **unsecured claim** against the Debtor in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked **Annex "A"**, after deducting any counterclaims to which the Debtor may be entitled. *(Claims in US dollars should be converted to Canadian dollars at the rate of [insert], being the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars on January 12, 2012. The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim.) (Give full particulars of the claim with all necessary supporting documentation.)*

That, as at the date hereof, the Creditor has an **unsecured claim** against the Debtor which arose after January 12, 2012 in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked **Annex "A"**, after deducting any counterclaims to which the Debtor may be entitled. *(Claims in US dollars should be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars as of the date hereof. The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim.) (Give full particulars of the claim with all necessary supporting documentation.)*

-or-

That, as at January 12, 2012, the Creditor had and still has a **secured claim** against the Debtor in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn

declaration) attached hereto and marked **Annex "A"**, after deducting any counterclaims to which the Debtor may be entitled. *(The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim and the security held in respect of the claim, including copies of all security.) (Give full particulars of the claim and security with all necessary supporting documentation.)*

- 4. That to the best of my knowledge and belief, I am (or the above-named Creditor is) (or am not or is not) related to the Debtor within the meaning of section 4 of the *Bankruptcy and Insolvency Act*.

II. ATTESTATION

I hereby attest that, to the best of my knowledge, the information in this document is and any and all annexes hereto are truthful and accurate in all material respects.

SIGNED this _____ day of _____, 2012.

(Signature of Creditor)

(Signature of witness)

(Name of Creditor in block letters)

(Name of witness in block letters)

(Address of witness in block letters)

ANNEX "A"
DETAILS OF CLAIM

SCHEDULE "C"

DELOITTE & TOUCHE INC., solely in its capacity as the Court-appointed Monitor of the Applicants, and without personal or corporate liability • • • Telephone: (416) 775-8831 Telecopier: (416) 601-6690 Email: christow@deloitte.ca		OFFICE USE ONLY

		Date Received _____

Court File No.: CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD.,
and A-Z SPONGE & FOAM PRODUCTS LTD.**

(the "Applicants")

PROOF OF D&O CLAIM

III. DESCRIPTION OF DEBTOR, CREDITOR AND NATURE OF D&O CLAIM

Name of entity against which claim is being made: *(Check appropriate box in following list. If claims are being made against more than one entity, use a separate Proof of Claim form for each entity.)*

- Director or Officer of 3113736 Canada Ltd. (formerly known as Valle Foam Industries (1995) Inc.)
- Director or Officer of 4362063 Canada Ltd. (formerly known as Domfoam International Inc.)
- Director or Officer of A-Z Sponge & Foam Products Ltd.

(hereinafter the "**Debtor**")

Name of person asserting a claim against the Debtor: _____
(hereinafter the "**Creditor**")

Individual: Corporation: Other: Specify: _____

If individual, Creditor's Social Insurance Number: _____

If corporation, Business Identification Number: _____

Address of Creditor: _____

Telephone number of Creditor:

E-mail address of Creditor:

Fax number of Creditor:

I, _____, of _____, do hereby certify:
(Name) *(City and province)*

1. That I am a Creditor of the Debtor

or that I am _____ of _____
(State position or title) *(Name of Creditor)*

a Creditor of the Debtor.

2. That I have knowledge of all the circumstances connected with the claim referred to in this form.

3. *(Check and complete appropriate category:)*

That, as at June 15, 2012, the Creditor had and still has an **unsecured claim** against the Debtor in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked **Annex "A"**, after deducting any counterclaims to which the Debtor may be entitled. *(Claims in US dollars should be converted to Canadian dollars at the rate of 1.0198%, being the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars on January 12, 2012. The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim.) (Give full particulars of the claim with all necessary supporting documentation.)*

4. That to the best of my knowledge and belief, I am (or the above-named Creditor is) (or am not or is not) related to the Debtor within the meaning of section 4 of the *Bankruptcy and Insolvency Act*.

IV. ATTESTATION

I hereby attest that, to the best of my knowledge, the information in this document is and any and all annexes hereto are truthful and accurate in all material respects.

SIGNED this _____ day of _____, 2012.

(Signature of Creditor)

(Name of Creditor in block letters)

(Signature of witness)

(Name of witness in block letters)

(Address of witness in block letters)

ANNEX "A"
DETAILS OF CLAIM

SCHEDULE "D"

Court File No. CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.**

(the "Applicants")

NOTICE OF REVISION OR DISALLOWANCE

TO: [INSERT NAME AND ADDRESS OF CREDITOR]

The Monitor has disallowed in full or in part your Claim as set out in your Proof of Claim, as set out below:

Prefiling Claim:

Claim Against	Claim per Proof of Claim	Allowed Amount	Disallowed Amount
	\$	\$	\$
Total	\$	\$	\$

Postfiling Claim:

Claim Against	Claim per Proof of Claim	Allowed Amount	Disallowed Amount
	\$	\$	\$
Total	\$	\$	\$

REASONS FOR DISALLOWANCE:

IF YOU INTEND TO DISPUTE THIS NOTICE OF REVISION OR DISALLOWANCE:

You must, no later than **5:00 p.m. (Toronto Time)** on **September 21, 2012**, deliver to the Monitor a Notice of Dispute of Revision or Disallowance (a copy of which can be found on the Monitor's Website at <http://www.deloitte.com/ca/vallefoam>) in accordance with the Claims Solicitation Procedure Order to the following address, email, or facsimile:

Deloitte & Touche Inc.

181 Bay Street West

Suite 1400

Toronto, Ontario

M5J 2V1

Attention: Catherine Hristow

Telephone: (416) 775-8831

Facsimile: (416) 601-6690

E-mail: christow@deloitte.ca

DATE:

#1900657

SCHEDULE "E"

Court File No. CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.**

(the "Applicants")

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

1. PARTICULARS OF CREDITOR:

(a) Full Legal Name of Creditor: _____

(b) Full Mailing Address of Creditor: _____

(c) *Telephone Number of Creditor: _____

(d) *Facsimile Number of Creditor: _____

(e) *E-mail Address of Creditor: _____

(f) Attention (Contact Person): _____

***In order to ensure that all Claims are processed in an expedited manner you must provide one (1) or more of your telephone number, fax number or e-mail address.**

2. PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:

(a) Have you acquired this Claim by Assignment? Yes No
(if yes, attach document evidencing assignment)

(b) Full Legal Name of original Creditor(s): _____

3. DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM FOR VOTING AND/OR DISTRIBUTION PURPOSES:

We hereby disagree with the value of our Claim set out in the Notice of Revision or Disallowance dated _____, as set out below:

Claim:

Claim Against	Claim per Proof of Claim	Allowed Amount	Disallowed Amount
	\$	\$	\$
Total Claims			

REASONS FOR DISPUTE:

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction (s) or agreement(s) giving rise to the Claim, name of any guarantor(s) that has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

If you intend to dispute a Notice of Revision or Disallowance, you must, no later than **5:00 p.m. (Toronto Time) on October 5, 2012** deliver to the Monitor a Notice of Dispute of Revision or Disallowance in accordance with the Claims Solicitation Procedure Order to the following address, email or facsimile:

Deloitte & Touche Inc.
181 Bay Street West
Suite 1400
Toronto, Ontario
M5J 2V1

Attention: Catherine Hristow
Telephone: (416) 775-8831
Facsimile: (416) 601-6690
E-mail: christow@deloitte.ca

If you do not deliver a Notice of Dispute of Revision or Disallowance by the time and date set out above, as applicable, the value of your Claim shall be deemed to be as set out in the Monitor's Notice of Revision or Disallowance.

Dated at _____ this _____ day of _____, 2012.

Per: _____

#1900657

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

Court File No. CV-12-9545-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER
(Claims Solicitation Procedure)

MINDEN GROSS LLP

145 King Street West, Suite 2200
Toronto ON M5H 4G2

Raymond M. Slattery (LSUC #20479L)

416-369-4149

rslattery@mindengross.com

David T. Ullmann (LSUC #423571)

416-369-4148

dullmann@mindengross.com

Sepideh Nassabi (LSUC #60139B)

416-369-4323

snassabi@mindengross.com

416-864-9223 fax

Lawyers for the Applicants

TAB D

EXHIBIT "D"

Court file no

ONTARIO
SUPERIOR COURT OF JUSTICE
(OTTAWA REGION)

BETWEEN:

THE COMMISSIONER OF COMPETITION

-and-

**DOMFOAM INTERNATIONAL INC. AND
VALLE FOAM INDUSTRIES (1995) INC.**

Accused

STATEMENT OF ADMISSIONS

THE ACCUSED

1. Domfoam International Inc. and Valle Foam Industries (1995) Inc. ("Domfoam/Valle") are corporations organized and existing under the laws of Canada. Valle Foam Industries (1995) Inc. is a wholly owned subsidiary of Domfoam International Inc.

THE PRODUCT

2. Foam is manufactured by the reaction resulting from the combination of two main chemicals: an isocyanate, such as Diphenylmethane Diisocyanate ("MDI") or Toluene Diisocyanate ("TDI") and a polyurethane polymer called Polyol. The resultant foam can be made into a variety of densities and hardness, from flexible foam to rigid foam, depending on the mixing ratio of the chemicals:
3. Due to the versatility of foam, it is used in a variety of industries and applications, including, but not limited to:
 - Furniture Manufacturing: used in cushions, upholstered furniture, office chairs, stadium seating and auditorium seating;

- Carpet Cushion (or underlay): used to improve the comfort and lifespan of carpets;
 - Transportation (or automotive): used in seating, headrests, arm rests, interior panels and skins, car and truck fenders, truck beds, support rings for run-flat tires, headliners and other interior systems for the automobile industry;
 - Bedding: used as the primary material for adding support and comfort to padded bedding products;
 - Packaging: provides protection and cushioning to packaged products. Polyurethane foams are often used to package highly sensitive equipment such as electronics, printed circuit boards, jewellery and delicate foods; and
 - Textiles and Fibres: used as insulation for fabric products including clothing. It provides thermal insulation, tear resistance, fire resistance and light weight to a variety of textiles and fibres including leather products, shoe uppers, tents, life rafts, labels, hand bags and insulation liners.
4. Most foam manufacturers specialize in certain applications and thus do not have a presence in all segments of the foam industry.
 5. Domfoam/Valle produces two types of foam products: (1) slab foam for furniture, bedding, packaging, textiles and fibres ("slab"); and (2) carpet cushion foam for carpet underlay ("carpet cushion"):

THE MARKETPLACE

6. A number of companies engage in the sale and supply of foam products in, into, or from Canada. Domfoam/Valle's major competitors in the foam market for slab in Canada include: Vitafoam Canada Inc. (Vita), Carpenter Canada Co. (Carpenter) and Foamex Canada Inc. (Foamex). Domfoam/Valle's major competitors in the foam market for carpet cushion in Canada include: Vita and Carpenter.
7. Between January 1, 1999 and July 27, 2010 ("Relevant Period") Domfoam/Valle produced and supplied foam and foam products to customers in Canada.
8. Based on the information provided to the Commissioner of Competition, the markets for both slab and carpet cushion are relatively concentrated. For the slab market in Canada, Carpenter, Foamex, Vita and Domfoam/Valle control approximately 80% of the market. For the carpet cushion market in Canada, Carpenter, Vita and Domfoam/Valle control approximately 90% of the market.
9. Certain types of foams are difficult to ship. With the exception of memory foam and other high-quality foams, foam does not easily compress. This makes it difficult to sell slab to customers located far from manufacturing facilities. Due to

this transportation issue, slab is generally sold within close proximity to pouring plants.

10. Barriers to entry in the foam manufacturing business are high. Zoning permits, financing to purchase land and the construction of a building to manufacture foam are very costly. The manufacturing of foam is regulated owing to the fact that petro-chemicals are used during the foaming process (i.e., safety and environmental regulations).
11. During the Relevant Period, the total volume of commerce sold to customers in Canada by Domfoam/Valle was approximately \$975,000,000 (CDN). This includes sales of both carpet cushion and slab foam for furniture and bedding.
12. The Relevant Period of the offences spans amendments to the criminal conspiracy provisions of the *Competition Act* ("Act"), with the new provisions having come into force on March 12, 2010. The evidence obtained during the investigation supports charges under both the former and current conspiracy provisions under the Act.

THE OFFENCE – SLAB

13. From January 1, 1999 to March 11, 2010, Domfoam/Valle engaged in conduct contrary to s. 45(1)(c) of the *Competition Act*, RSC 1985, c C-34 by conspiring, combining, agreeing or arranging to prevent or lessen competition, unduly, with respect to the sale and supply of slab products within Canada.
14. From March 12, 2010 to July 27, 2010, Domfoam/Valle engaged in conduct contrary to s. 45(1) (a) of the *Competition Act*, 2009, c. 2, s. 410 by conspiring, agreeing or arranging, with one or more competitors, to fix, maintain, increase or control the price for the supply of slab products within Canada.
15. For the purpose of forming and carrying out the alleged conspiracy, Domfoam/Valle, Carpenter, Vita and Foamex established a practice whereby the members of the alleged cartel would communicate about the amount and effective date of price increases in the sale and supply of slab and slab products in Canada. They would agree to use the same or similar effective dates and the same or similar price increase ranges, which had the overall effect of unduly lessening competition in Canada. The information regarding the price increase percentages and effective dates would be included in the price increase letters sent to customers and would constitute a price baseline, which would be used as a starting point for customer negotiations.
16. The conduct would occur approximately one to three times per year and typically followed raw material price increase announcements made by chemical suppliers. Raw material price increase notifications from chemical suppliers triggered communications among the members of the alleged slab cartel, which included

telephone calls, blackberry messages, e-mails, meetings and the exchange of price increase letters via email and facsimile.

17. The exchanges of information among Domfoam/Valle, Carpenter, Vita, and Foamex were for the purpose of coordinating the amount and effective date of price increases to be announced to their customers. Information in the possession of the Commissioner of Competition indicates that this coordination was viewed as necessary by the alleged slab cartel members and gave them assurance that all parties to the alleged cartel would follow suit. Such assurance was needed because, if a party to the alleged cartel "went to market" alone, Domfoam/Valle, Carpenter, Vita and Foamex would be concerned that the price increase would not succeed, as customers, in some cases, might switch to that foam manufacturer who did not increase its price.
18. The conduct enabled the slab manufacturers to coordinate and implement price increases to their respective customers. To this end, customers received price increase letters on or near the same day, with similar or identical percentage increases and effective implementation dates. Information in the possession of the Commissioner of Competition indicates that the price increase letters to customers were viewed by the members of the alleged slab cartel as an assurance that all slab producers were proceeding with the same or similar price increases with the same or similar effective dates of implementation. Once the letters were out in the marketplace, the alleged slab cartel members were in a stronger position to negotiate with their large customers, given that all slab producers were at similar price levels. After the price increase letters were out, Domfoam/Valle would typically negotiate with customers over specific price increase amounts. Sometimes the price increases were fully implemented as written in the letters. At other times, the price increases were successful only in part or not at all. Even if successful, in whole or in part, there were times when the agreed upon price increases did not hold. That is to say, the price increases would abate.

EXAMPLES OF COMMUNICATIONS BETWEEN COMPETITORS – SLAB

19. A high level employee from Domfoam had contacts with employees from Foamex. The Domfoam employee would exchange price increase letters and telephone calls about pricing with Michael Calderoni, Senior Sales Manager for Foamex.
20. In June 2006, two Domfoam employees had lunch at DiMenna's, a restaurant in St. Leonard, Quebec, with Mr. Calderoni. A chemical increase had been announced and Domfoam/Valle needed to increase prices. At this lunch, there was a discussion about whether Foamex would increase prices, as a price increase letter had not yet been released. Mr. Calderoni said that Foamex would increase prices and that he would fax Domfoam the price increase letter.

21. Domfoam employees also had contact with Dale Nelson, a Bedding and Furniture Sales Representative for Carpenter. A high level Domfoam employee and Mr. Nelson would communicate about pricing through telephone calls, and would exchange price increase letters.

22. In July of 2010, a high level Domfoam employee was contacted by Mr. Nelson. Mr. Nelson told this employee that Carpenter was going to increase prices in Montreal and had been going to customers announcing the increase. At the time of this phone call, Domfoam had not yet decided if they were going to increase prices. Mr. Nelson asked what Domfoam's intentions were in Montreal and passed on a message reportedly from his boss, that if Domfoam did not raise prices in Montreal, Carpenter would target Domfoam's customers. The Domfoam employee called Mr. Calderoni from Foamex the next day and passed on the message from Mr. Nelson. Mr. Calderoni stated it was not good news and he would need to discuss it with the people to whom he reports.

THE OFFENCE – CARPET CUSHION

23. From January 1, 1999 to March 11, 2010, Domfoam/Valle engaged in conduct contrary to s. 45(1)(c) of the *Competition Act*, RSC 1985, c C-34 by conspiring, combining, agreeing or arranging to lessen competition, unduly, with respect to the sale and supply of carpet cushion products within Canada.
24. From March 12, 2010 to July 27, 2010, Domfoam/Valle engaged in conduct contrary to s. 45(1) (a) of the *Competition Act*, 2009, c. 2, s. 410 by conspiring, agreeing or arranging, with one or more competitors, to fix, maintain, increase or control the price for the supply of carpet cushion products within Canada.
25. For the purpose of forming and carrying out the alleged conspiracy, Domfoam/Valle, Carpenter and Vita established a practice whereby the members of the alleged cartel would communicate about the amount and effective date of price increases in the sale and supply of carpet cushion in Canada. They would agree to use the same or similar effective dates and the same or similar price increase ranges, which had the overall effect of unduly lessening competition in Canada. The information regarding the price increase percentages and effective dates would be included in the price increase letters sent to customers and would constitute a price baseline, which would be used as a starting point for customer negotiations.
26. This conduct would occur approximately one to four times per year and typically followed an increase in the price of scrap foam, which consequently resulted in carpet cushion price increase notifications being sent to customers by United States-based carpet cushion manufacturers. These United States-based notifications would, in turn, have the effect of triggering communications among the members of the alleged carpet cushion cartel in Canada. Such communications included telephone calls, blackberry messages, emails, meetings and the exchange of price increase letters via email and facsimile.

27. The exchanges of information among Domfoam/Valle, Carpenter and Vita, were for the purpose of coordinating the amount and effective date of price increases to be announced to their customers. Information in the possession of the

Commissioner of Competition indicates that this coordination was viewed as necessary by the alleged carpet cushion cartel members and gave them assurance that all parties to the alleged cartel would follow suit. Such assurance was needed because, if a party to the alleged cartel "went to market" alone, Domfoam/Valle, Carpenter and Vita would be concerned that the price increase would not succeed, as customers, in some cases, might switch to that foam manufacturer who did not increase its price.

28. The conspiracy enabled the carpet cushion manufacturers to coordinate and implement price increases to their respective customers. To this end, customers received price increase letters on or near the same day, with similar or identical percentage increases and effective implementation dates. Information in the possession of the Commissioner of Competition indicates that the price increase letters to customers were viewed by the members of the alleged carpet cushion cartel as an assurance that all carpet cushion producers were proceeding with the same or similar price increases with the same or similar effective implementation dates. Once the letters were out in the marketplace, the alleged carpet cushion cartel members were in a stronger position to negotiate with their large customers, given that all carpet cushion producers were at similar price levels. After the price increase letters were out, Domfoam/Valle would typically negotiate with customers over specific increase amounts. Sometimes the price increases were fully implemented as written in the letters. At other times, the price increases were successful only in part or not at all. Even if successful, in whole or in part, there were times when the agreed upon price increases did not hold. That is to say, the price increases would abate.

EXAMPLES OF COMMUNICATIONS BETWEEN COMPETITORS – CARPET CUSHION

29. A Domfoam employee had competitor contacts with Dan Temple, Regional Manager, Western Region, for Carpenter. The Domfoam employee and Mr. Temple had pricing discussions, and would exchange price increase information by fax.
30. The Domfoam employee and Mr. Temple used the term "popcorn" as a code name for chipped foam. Carpenter had a "no discussion with competition" policy, so he and Mr. Temple disguised the name with "popcorn." The Domfoam employee believes they used this term as they knew it was not right to be discussing pricing with competitors. The Domfoam employee would not use this term in any other instances other than in relation to the price of that product, and always with Mr. Temple.

31. The Domfoam employee would exchange pricing notifications and intentions with Mr. Temple. The Domfoam employee would tell Mr. Temple that Domfoam/Valle was intending to go up in price and that he had not seen any notifications from Mr. Temple's employer, Carpenter. Mr. Temple would also make these types of phone calls to the Domfoam employee. A day or two later, the Domfoam employee would receive notification of Carpenter's price increases from an outside fax machine located, for example, at UPS or Staples. Such notifications were never from a Carpenter fax machine. The Domfoam employee only ever received Carpenter price increase letters in this way, and if the Domfoam employee received a Carpenter price increase letter faxed from a UPS store, he was 99.9% sure it was from Mr. Temple.

DOMFOAM/VALLE ACKNOWLEDGES THAT THE BUREAU HAS IN ITS POSSESSION A WIRETAP RECORDING RELATING TO THE FOLLOWING:

32. An employee with a competitor of Domfoam/Valle, who is also cooperating with the investigation, would exchange pricing information with Michael Lajambe, District Manager, Eastern Canada, for Carpenter. The competitor's employee received a telephone call from Mr. Lajambe in June of 2010 where Mr. Lajambe told the competitor's employee that Carpenter was sending out their price increase letter the next day with an effective date of July 19th and a 12% percentage price increase. Mr. Lajambe offered to fax the price increase letter to Domfoam/Valle's competitor.
33. During this conversation, Mr. Lajambe commented that he heard Domfoam/Valle's competitor had a new boss who did not want his employees communicating with competitors. The competitor's employee confirmed this was true. Mr. Lajambe stated his bosses were the same way. Mr. Lajambe and the competitor's employee then discussed the possibility of a third price increase with Mr. Lajambe, stating that he felt the prices were too low. Mr. Lajambe then confirmed the fax number to send him the respective price increase letter.

OTHER CONSIDERATIONS

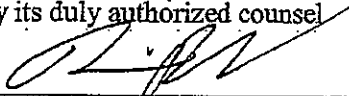
34. Domfoam/Valle has agreed to cooperate and to plead guilty to offences under section 45(1) (c) of the *Competition Act*, RSC 1985, c C-34, for the period from January 1, 1999 to March 11, 2010, and section 45(1) (a) of the *Competition Act*, 2009, c. 2, s. 410, for the period from March 12, 2010 to July 27, 2010. Such cooperation and willingness to plead guilty is saving the costs of further investigation and trial, which would otherwise have been incurred by the Government of Canada.
35. The cooperation of Domfoam/Valle will assist the Government of Canada in its investigation and subsequent prosecution of other individuals and corporations for violations of the *Competition Act* in relation to the sale and supply of slab and carpet cushion in Canada.

CONCLUSION

36. Domfoam/Valle admits the foregoing pursuant to section 655 of the *Criminal Code* solely for the purpose of dispensing with proof of such facts at trial in this proceeding.

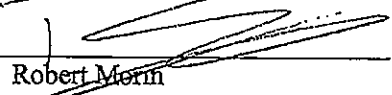
37. Domfoam/Valle acknowledges, on the basis of the facts set out herein, with respect to the agreement alleged in the indictment, that all constituent elements of indictable offences under both sections 45(1)(c) of the *Competition Act*, RSC 1985, c C-34 and 45(1)(a) of the *Competition Act*, 2009, c. 2, s. 410 have been established.

38. This document may be executed in counterparts.

Domfoam/Valle
By its duly authorized counsel


Brian Heller (Heller, Rubel)

This 5th day of December, 2011
JANUARY 2012

Her Majesty the Queen
By its duly authorized officer


Robert Morn

This 5 day of December, 2012
January

T A B E

EXHIBIT "E"

Court File No. CV-10-15164

**ONTARIO
SUPERIOR COURT OF JUSTICE**

The Honourable Madam
Justice Leitch

) Wednesday, the 24th day
) of July, 2013
)

BETWEEN:

"HII NEIGHBOR" FLOOR COVERING CO. LIMITED

Plaintiff

- and -

HICKORY SPRINGS MANUFACTURING COMPANY,
VALLE FOAM INDUSTRIES (1995), INC., DOMFOAM INTERNATIONAL, INC.,
THE CARPENTER CO., CARPENTER CANADA CO.,
WOODBIDGE FOAM CORPORATION, FLEXIBLE FOAM PRODUCTS, INC.,
FOAMEX INNOVATIONS, INC., FUTURE FOAM, INC.,
LEGGETT & PLATT, INC., VITAFOAM PRODUCTS CANADA LIMITED,
VITAFOAM, INC., DEAN BRAYIANNIS, BRUCE SCHNEIDER,
ROBERT MACGEE and MICHAEL LAJAMBE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER
(Partial Certification and Notice Approval - General Foam)**

THIS MOTION made by the Plaintiff for an Order certifying this action for settlement purposes only as against the defendants Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (collectively, the "Domfoam Defendants") and Dean Brayianis (collectively, the "Settling Defendants"), and for an Order approving the form of Notice of Certification or Authorization and Settlement Approval Hearings (the "Pre-Approval Notice") and the means by which the Pre-Approval Notice will be disseminated (the "Plan of Dissemination"), was heard on June 28, 2013 at the Woodstock Courthouse at 415 Hunter Street, in Woodstock, Ontario, by way of teleconference.

ON READING the materials filed and on hearing the submissions of counsel for the Plaintiff and the Settling Defendants;

AND ON BEING ADVISED that the Plaintiff has entered into a settlement agreement with the Settling Defendants and other Individual Settling Parties (collectively, the "Parties") dated January 10, 2012 (the "Settlement Agreement");

AND ON BEING ADVISED that the Parties consent to this Order;

AND ON BEING ADVISED that the Non-Settling Defendants take no position on this Order;

1. **THIS COURT ORDERS** that except to the extent that they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order;
2. **THIS COURT ORDERS** that, for the purposes of this Order, the following definitions apply:
 - (a) "Foam Products" shall mean polyurethane foam and any and all products that contain polyurethane foam;
 - (b) "Carpet Underlay Products" shall mean the subset of Foam Products that are scrap polyurethane foam that is bonded together by various chemicals into a padding material and products containing scrap polyurethane foam that is bonded together by various chemicals into a padding material; and
 - (c) "Polyurethane Foam Products" shall mean the subset of Foam Products that are not Carpet Underlay Products;
3. **THIS COURT ORDERS** that this action is certified as a class proceeding only as against the Settling Defendants for settlement purposes only;
4. **THIS COURT ORDERS** that the Ontario General Foam Settlement Class is defined as:

All Persons resident in Canada who purchased Polyurethane Foam Products in Canada during the Settlement Class

Period, except the members of the BC Settlement Class and Quebec Settlement Class, and Excluded Persons;

5. **THIS COURT ORDERS** that "Hi! Neighbor" Floor Covering Co. Limited is appointed as representative plaintiff for the Ontario General Foam Settlement Class;
6. **THIS COURT ORDERS** that the following issue is common to the Ontario General Foam Settlement Class:

Did the Domfoam Defendants, or any of them, conspire to harm the Settlement Class Members during the Settlement Class Period? If so, what damages, if any, are payable by the Domfoam Defendants, or any of them to the Settlement Class Members?
7. **THIS COURT ORDERS** that National Class Action Services is appointed as the Opt Out Administrator;
8. **THIS COURT ORDERS** that Ontario General Foam Settlement Class members who wish to opt-out of the Ontario General Foam Action must do so by sending a written election to opt-out, together with the information required in the Settlement Agreement, to the Opt Out Administrator, appointed in this Order, postmarked on or before the Opt Out Deadline;
9. **THIS COURT ORDERS** that any Ontario General Foam Settlement Class member who has not validly opted-out of this action is bound by the Settlement Agreement and may not opt-out of this action in the future;
10. **THIS COURT ORDERS** that the Pre-Approval Notice is hereby approved substantially in the form attached hereto as **Schedule "A"**;
11. **THIS COURT ORDERS** that the Plan of Dissemination is hereby approved in the form attached hereto as **Schedule "B"**;
12. **THIS COURT ORDERS** that the Pre-Approval Notice shall be disseminated in accordance with the Plan of Dissemination approved as part of this Order; and

13. **THIS COURT ORDERS** that this Order, including without limiting the generality of the foregoing, the certification of the Ontario General Foam Action against the Settling Defendants and the definitions of Ontario General Foam Settlement Class, Settlement Class Period and Common Issue, is without prejudice to any position a Non-Settling Defendant may take in this or any other proceeding on any issue, including any issue of appropriate forum or abuse of process, the issue of whether the Settlement Agreement should be approved and the issue of whether the Ontario General Foam Action should be certified as a class proceeding as against the Non-Settling Defendants. Except as set out below, no person may rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of the Order as authority against any of the Non-Settling Defendants in this or any other proceeding. For greater certainty, this Order, the Court's reasons in support of this Order and the certification of the Ontario General Foam Action against the Settling Defendants for settlement purposes only are not binding on and shall have no effect on this Court's ruling in this or any other proceeding as against the Non-Settling Defendants. Notwithstanding the foregoing, the Non-Settling Defendants may not rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of the Order, and may not assert a deficiency in the notice plan and/or opt-out process set out in the Order, as a basis for opposition to approval of the Settlement Agreement, including without limitation as a basis for opposition to approval of the proposed bar order contained in the Settlement Agreement.

Date: *July 24, 2013*


The Honourable Madam Justice Leitch

ENTERED AT WINDSOR	
in Book No.	<i>24</i>
re Document No.	<i>1014</i>
on	<i>Aug 20 13</i>
by	<i>NA</i>

SCHEDULE "A"

POLYURETHANE FOAM PRODUCTS CLASS ACTION **To Canadian Resident Purchasers of Polyurethane Foam and Polyurethane Foam Products** **Notice of Certification/Authorization and Proposed Canadian Settlement** **with Domfoam, Valle Foam, A-Z Sponge and Certain Individuals**

THE LAWSUITS

Class action lawsuits were commenced in Ontario, British Columbia and Quebec ("Actions") against manufacturers or suppliers of polyurethane foam or products containing polyurethane foam, including without limitation foam and products relating to furniture and bedding as well as carpet underlay ("Foam Products"), alleging they conspired to raise, fix, maintain or stabilize the price of Foam Products in Canada, and/or to allocate markets and customers for the sale of those products in Canada. The settling parties include Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (the "Domfoam Defendants"), as well as Dean Brayiannis ("Brayiannis") and certain additional current and former officers, employees and agents of the Domfoam Defendants (collectively, the "Settling Individuals").

THE PROPOSED SETTLEMENT

A settlement was reached with the Domfoam Defendants and the Settling Individuals. Settlement benefits include payment of \$1.226 million (the "Settlement Proceeds"), assignment of rights in other lawsuits and cooperation in prosecuting the Actions against others. The settlement must be approved by the British Columbia, Ontario and Quebec Courts ("Courts") to be effective.

CERTIFICATION / AUTHORIZATION

The Actions were certified/authorized as class actions for settlement purposes by the Courts in relation only to the Domfoam Defendants and the Settling Individuals that were parties to the Actions. It will be set aside if the settlement is not approved by all the Courts.

THE SETTLEMENT AFFECTS YOUR RIGHTS

If the settlement is approved, it will affect residents in Canada who purchased Foam Products in Canada **between January 1, 1999 and January 10, 2012** ("Settlement Class Period"), except those who opt out of the Actions, the Defendants and certain related parties ("Settlement Class Members").

Under the settlement, Settlement Class Members **RELEASE** the Settling Individuals (including Brayiannis) and other related parties from claims regarding the purchase of Foam Products in Canada in the Settlement Class Period, and commit to discontinue or dismiss certain proceedings as against the Domfoam Defendants and Brayiannis.

The way in which the net Settlement Proceeds will be distributed will be determined at a later date following further settlements with the non-settling defendants in the Actions or the complete resolution of the Actions. The Settlement Proceeds are being held in trust for the benefit of the Settlement Class Members for the time being. Once the Courts have approved the method for distributing the net Settlement Proceeds, another notice will be provided and posted online at <> explaining which Settlement Class Members are eligible for direct payment and how Settlement Class Members can apply to receive payment. Settlement Class Members should keep all purchase documents.

SETTLEMENT APPROVAL HEARINGS

The requests to approve the settlement will take place in hearings on <date> at <BC time> (British Columbia), <date> at <ON time> (Ontario) and <date> at <QC time> (Quebec).

THE CCAA PROCEEDING

The Domfoam Defendants were previously granted protection under the *Companies' Creditors Arrangement Act* ("CCAA"). The claims deadline has now passed. All claims against the Domfoam Defendants and certain of the Settling Individuals which were not filed in the CCAA Proceeding have been barred and extinguished. Under the settlement, the Plaintiffs reserved their right to file a claim on behalf of Settlement Class Members in the CCAA Proceeding. The Plaintiffs filed a claim on behalf of Settlement Class Members in the CCAA Proceeding in advance of the claims deadline. The outcome of this claim has not yet been determined.

YOUR OPTIONS

If you **do not want to participate in the Actions**, you must complete and send an Opt Out Form to <> by <date> (the "Opt Out Deadline"). Opt Out Forms are available at <website> or from the Plaintiff Lawyers. You will keep any right to sue individually (except against the Domfoam Defendants and certain of the Settling Individuals) but will not receive the benefit of this or future settlements or judgments in the Actions.

If you do not opt out of the Actions by the Opt Out Deadline, you will be bound by the settlement and will not be able to opt out of the Actions in the future.

If you **have no objection to the settlement** and want to continue to participate in the Actions, you do not need to do anything at this time.

To **comment on or object to the settlement**, you must write to one of the Plaintiff Lawyers by **<7 days before the settlement approval hearings>**. Comments and objections will be provided to the Courts.

THE PLAINTIFF LAWYERS

- For British Columbia residents: Branch MacMaster LLP at lbrasil@branmac.com, and Camp Fiorante Mathews Mogerman at polyfoam@cfmlawyers.ca;
- For Quebec residents: Belleau Lapointe at membres@recourscollectif.info; and
- For all others: Sutts Strosberg LLP at polyclassaction@strosbergco.com.

The Plaintiffs entered into contingency agreements with the Plaintiff Lawyers providing for payment of up to 1/3 of amounts recovered in the Actions. The Courts will determine the amount to be paid to Plaintiff Lawyers.

This Notice is a summary. For more information about the settlement, including a list of the Settling Individuals, or to read the settlement agreement, please visit www.FoamClassAction.ca or contact the Plaintiff Lawyers.

SCHEDULE "B"

PLAN OF DISSEMINATION

Notice of Certification/Authorization and Settlement Approval Hearing in the Matter of Polyurethane Products Class Action Litigation

Domfoam Settlement – Round 1

For the purposes of this Plan of Dissemination, the following definitions shall apply:

1. **Class Counsel** means Branch MacMaster LLP, Camp Fiorante Matthews Mogerman, Sutts Strosberg LLP, Morganti Legal PC and Belleau Lapointe;
2. **Domfoam Defendants** means Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd.;
3. **Foam Products** means polyurethane foam and any and all products that contain polyurethane foam;
4. **Pre-Approval Notice** means the Notice of Certification/Authorization and Settlement Approval Hearing, in the form attached as Schedule "A" to this Plan of Dissemination; and
5. **Settlement Class Period** means the period from January 1, 1999 to January 10, 2012.

The Plaintiffs propose that the Pre-Approval Notice shall be distributed in the following manner:

1. A copy of the Pre-Approval Notice will be published once in the following national and regional newspapers:
 - (a) The Globe and Mail (in English – Report on Business, National Edition), in a size not smaller than 1/6 of a page;
 - (b) Le Journal de Montréal (in French), in a size not smaller than 1/3 of a page; and
 - (c) Le Journal de Québec (in French), in a size not smaller than 1/3 of a page.
2. A copy of the Pre-Approval Notice will be forwarded to the Editor's Desk for hard copy and electronic publication in the following trade publications (subject to publication deadlines):

- (a) Furniture Today;
 - (b) Bed Times;
 - (c) Automotive News; and
 - (d) Canadian Home Builder.
3. A copy of the Pre-Approval Notice will be sent to the following organizations with a request that they distribute to their membership and/or post on their website:
- (a) Canadian Urethane Foam Contractors Association;
 - (b) Construction Specifications Canada;
 - (c) Council of Construction Trade Associations (BC);
 - (d) Canadian Home Furnishings Alliance;
 - (e) Canadian Carpet Institute;
 - (f) International Sleep Products Association;
 - (g) Automotive Parts Manufacturers' Association;
 - (h) The Packaging Association; and
 - (i) The Quebec Furniture Manufacturers Association.
4. A copy of the Pre-Approval Notice will be posted in electronic format in English and in French on the websites of Class Counsel, as well as on www.NationalClassActions.ca.
5. A copy of the Pre-Approval Notice will be provided to the CBA National Class Action Registry with a request that it be posted online.
6. A copy of the Pre-Approval Notice will be distributed to the Business Wire News Service.
7. A copy of the Pre-Approval Notice will be sent by direct mail by Class Counsel to those direct purchasers of the Domfoam Defendants who purchased Foam Products from the Domfoam Defendants in Canada during the Settlement Class Period, and whose particulars are provided to Class Counsel by the Domfoam

Defendants, subject to the ability of the Domfoam Defendants to locate a list of direct purchasers after making reasonable efforts.

8. A copy of the Pre-Approval Notice will be sent to all persons who have contacted Class Counsel and identified themselves as being potential class members.
9. A link to the Pre-Approval Notice will be posted by one or more Class Counsel on Twitter.
10. A website will be established in both French and English at www.FoamClassAction.ca to provide important information on the case. The website will be easy to use and the information available will be in easy print format or downloadable in PDF format. The website will employ search engine optimization to raise its visibility to internet search engines.

"HII NEIGHBOR" FLOOR COVERING
CO. LIMITED

Plaintiff

v. HICKORY SPRINGS MANUFACTURING
COMPANY, et al

Defendants

Court File No. CV-11-15164

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT WINDSOR

Proceedings under the *Class Proceedings Act*,
1992

ORDER

(Partial Certification and Notice Approval -
General Foam)

SUTTS, STROSBURG LLP

Lawyers
600 - 251 Goyeau Street
Windsor, ON N9A 6VA

HEATHER RUMBLE PETERSON

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Toronto, ON M5V 2L1

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Fax: 416 800-2171

LAWYERS FOR THE PLAINTIFF

FILE: 76-189-000

TAB F

EXHIBIT "F"

Court File No. CV-11-17279

**ONTARIO
SUPERIOR COURT OF JUSTICE**

The Honourable Madam
Justice Leitch

) Wednesday, the 24th day
) of July, 2013
)

BETWEEN:

"HII NEIGHBOR" FLOOR COVERING CO. LIMITED

Plaintiff

- and -

HICKORY SPRINGS MANUFACTURING COMPANY,
VALLE FOAM INDUSTRIES (1995), INC., DOMFOAM INTERNATIONAL, INC.,
THE CARPENTER CO., CARPENTER CANADA CO.,
FLEXIBLE FOAM PRODUCTS, INC., FOAMEX INNOVATIONS, INC.,
FUTURE FOAM, INC., LEGGETT & PLATT, INC., MOHAWK INDUSTRIES, INC.,
VITAFOAM PRODUCTS CANADA LIMITED, VITAFOAM, INC., WOODBRIDGE
FOAM CORPORATION, DAVID CARSON,
LOUIS CARSON, DEAN BRAYIANNIS, BRUCE SCHNEIDER,
MICHAEL LAJAMBE and ROBERT MAGEE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER
(Partial Certification and Pre-Approval Notice - Carpet Underlay)

THIS MOTION made by the Plaintiff for an Order certifying this action for settlement purposes only as against the defendants Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (collectively, the "Domfoam Defendants") and Dean Brayiannis (collectively, the "Settling Defendants") and for an Order approving the form of Notice of Certification or Authorization and Settlement Approval Hearings (the "Pre-Approval Notice") and the means by which the Pre-Approval Notice will be disseminated (the "Plan of Dissemination"), was heard on June 28, 2013 at the Woodstock Courthouse at 415 Hunter Street, in Woodstock, Ontario, by way of teleconference.

ON READING the materials filed and on hearing the submissions of counsel for the Plaintiff and the Settling Defendants;

AND ON BEING ADVISED that the Plaintiff has entered into a settlement agreement with the Settling Defendants and other Individual Settling Parties (collectively, the "Parties") dated January 10, 2012 (the "Settlement Agreement");

AND ON BEING ADVISED that the Parties consent to this Order;

AND ON BEING ADVISED that the Non-Settling Defendants take no position on this Order;

1. **THIS COURT ORDERS** that except to the extent that they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order;
2. **THIS COURT ORDERS** that, for the purposes of this Order, the following definitions apply:
 - (a) "Foam Products" shall mean polyurethane foam and any and all products that contain polyurethane foam;
 - (b) "Carpet Underlay Products" shall mean the subset of Foam Products that are scrap polyurethane foam that is bonded together by various chemicals into a padding material and products containing scrap polyurethane foam that is bonded together by various chemicals into a padding material; and
 - (c) "Polyurethane Foam Products" shall mean the subset of Foam Products that are not Carpet Underlay Products;
3. **THIS COURT ORDERS** that this action is certified as a class proceeding only as against the Settling Defendants, for settlement purposes only;
4. **THIS COURT ORDERS** that the Ontario Carpet Underlay Settlement Class is defined as:

All Persons resident in Canada who purchased Carpet Underlay Products in Canada during the Settlement Class

Period, except the members of the BC Settlement Class and Quebec Settlement Class, and Excluded Persons;

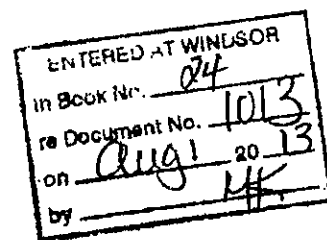
5. **THIS COURT ORDERS** that "Hil Neighbor" Floor Covering Co. Limited is appointed as representative plaintiff for the Ontario Carpet Underlay Settlement Class;
6. **THIS COURT ORDERS** that the following issue is common to the Ontario Carpet Underlay Settlement Class:

Did the Domfoam Defendants, or any of them, conspire to harm the Settlement Class Members during the Settlement Class Period? If so, what damages, if any, are payable by the Domfoam Defendants, or any of them to the Settlement Class Members?
7. **THIS COURT ORDERS** that National Class Action Services is appointed as the Opt Out Administrator;
8. **THIS COURT ORDERS** that Ontario Carpet Underlay Settlement Class members who wish to opt-out of the Ontario Carpet Underlay Action must do so by sending a written election to opt-out, together with the information required in the Settlement Agreement, to the Opt Out Administrator, appointed in this Order, postmarked on or before the Opt Out Deadline;
9. **THIS COURT ORDERS** that any Ontario Carpet Underlay Settlement Class member who has not validly opted-out of this action is bound by the Settlement Agreement and may not opt-out of this action in the future;
10. **THIS COURT ORDERS** that the Pre-Approval Notice is hereby approved substantially in the form attached hereto as **Schedule "A"**;
11. **THIS COURT ORDERS** that the Plan of Dissemination is hereby approved in the form attached hereto as **Schedule "B"**;
12. **THIS COURT ORDERS** that the Pre-Approval Notice shall be disseminated in accordance with the Plan of Dissemination approved as part of this Order; and

13. **THIS COURT ORDERS** that this Order, including without limiting the generality of the foregoing, the certification of the Ontario Carpet Underlay Action against the Settling Defendants and the definitions of Ontario Carpet Underlay Settlement Class, Settlement Class Period and Common Issue, is without prejudice to any position a Non-Settling Defendant may take in this or any other proceeding on any issue, including any issue of appropriate forum or abuse of process, the issue of whether the Settlement Agreement should be approved and the issue of whether the Ontario Carpet Underlay Action should be certified as a class proceeding as against the Non-Settling Defendants. Except as set out below, no person may rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of the Order as authority against any of the Non-Settling Defendants in this or any other proceeding. For greater certainty, this Order, the Court's reasons in support of this Order and the certification of the Ontario Carpet Underlay Action against the Settling Defendants for settlement purposes only are not binding on and shall have no effect on this Court's ruling in this or any other proceeding as against the Non-Settling Defendants. Notwithstanding the foregoing, the Non-Settling Defendants may not rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of the Order, and may not assert a deficiency in the notice plan and/or opt-out process set out in the Order, as a basis for opposition to approval of the Settlement Agreement, including without limitation as a basis for opposition to approval of the proposed bar order contained in the Settlement Agreement.

Date: July 24, 2013


The Honourable Madam Justice Leitch



SCHEDULE "A"

POLYURETHANE FOAM PRODUCTS CLASS ACTION
To Canadian Resident Purchasers of Polyurethane Foam and Polyurethane Foam Products
Notice of Certification/Authorization and Proposed Canadian Settlement
with Domfoam, Valle Foam, A-Z Sponge and Certain Individuals

THE LAWSUITS

Class action lawsuits were commenced in Ontario, British Columbia and Quebec ("Actions") against manufacturers or suppliers of polyurethane foam or products containing polyurethane foam, including without limitation foam and products relating to furniture and bedding as well as carpet underlay ("Foam Products"), alleging they conspired to raise, fix, maintain or stabilize the price of Foam Products in Canada, and/or to allocate markets and customers for the sale of those products in Canada. The settling parties include Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (the "Domfoam Defendants"), as well as Dean Brayiannis ("Brayiannis") and certain additional current and former officers, employees and agents of the Domfoam Defendants (collectively, the "Settling Individuals").

THE PROPOSED SETTLEMENT

A settlement was reached with the Domfoam Defendants and the Settling Individuals. Settlement benefits include payment of \$1.226 million (the "Settlement Proceeds"), assignment of rights in other lawsuits and cooperation in prosecuting the Actions against others. The settlement must be approved by the British Columbia, Ontario and Quebec Courts ("Courts") to be effective.

CERTIFICATION / AUTHORIZATION

The Actions were certified/authorized as class actions for settlement purposes by the Courts in relation only to the Domfoam Defendants and the Settling Individuals that were parties to the Actions. It will be set aside if the settlement is not approved by all the Courts.

THE SETTLEMENT AFFECTS YOUR RIGHTS

If the settlement is approved, it will affect residents in Canada who purchased Foam Products in Canada **between January 1, 1999 and January 10, 2012** ("Settlement Class Period"), except those who opt out of the Actions, the Defendants and certain related parties ("Settlement Class Members").

Under the settlement, Settlement Class Members **RELEASE** the Settling Individuals (including Brayiannis) and other related parties from claims regarding the purchase of Foam Products in Canada in the Settlement Class Period, and commit to discontinue or dismiss certain proceedings as against the Domfoam Defendants and Brayiannis.

The way in which the net Settlement Proceeds will be distributed will be determined at a later date following further settlements with the non-settling defendants in the Actions or the complete resolution of the Actions. The Settlement Proceeds are being held in trust for the benefit of the Settlement Class Members for the time being. Once the Courts have approved the method for distributing the net Settlement Proceeds, another notice will be provided and posted online at <> explaining which Settlement Class Members are eligible for direct payment and how Settlement Class Members can apply to receive payment. Settlement Class Members should keep all purchase documents.

SETTLEMENT APPROVAL HEARINGS

The requests to approve the settlement will take place in hearings on <date> at <BC time> (British Columbia), <date> at <ON time> (Ontario) and <date> at <QC time> (Quebec).

THE CCAA PROCEEDING

The Domfoam Defendants were previously granted protection under the *Companies' Creditors Arrangement Act* ("CCAA"). The claims deadline has now passed. All claims against the Domfoam Defendants and certain of the Settling Individuals which were not filed in the CCAA Proceeding have been barred and extinguished. Under the settlement, the Plaintiffs reserved their right to file a claim on behalf of Settlement Class Members in the CCAA Proceeding. The Plaintiffs filed a claim on behalf of Settlement Class Members in the CCAA Proceeding in advance of the claims deadline. The outcome of this claim has not yet been determined.

YOUR OPTIONS

If you do not want to participate in the Actions, you must complete and send an Opt Out Form to <> by <date> (the "Opt Out Deadline"). Opt Out Forms are available at <website> or from the Plaintiff Lawyers. You will keep any right to sue individually (except against the Domfoam Defendants and certain of the Settling Individuals) but will not receive the benefit of this or future settlements or judgments in the Actions.

If you do not opt out of the Actions by the Opt Out Deadline, you will be bound by the settlement and will not be able to opt out of the Actions in the future.

If you **have no objection to the settlement** and want to continue to participate in the Actions, you do not need to do anything at this time.

To **comment on or object to the settlement**, you must write to one of the Plaintiff Lawyers by **<7 days before the settlement approval hearings>**. Comments and objections will be provided to the Courts.

THE PLAINTIFF LAWYERS

- For British Columbia residents: Branch MacMaster LLP at lbrasil@branmac.com, and Camp Fiorante Mathews Mogeran at polyfoam@cfmlawyers.ca;
- For Quebec residents: Belleau Lapointe at membres@recourscollectif.info; and
- For all others: Sutts Strosberg LLP at polyclassaction@strosbergco.com.

The Plaintiffs entered into contingency agreements with the Plaintiff Lawyers providing for payment of up to 1/3 of amounts recovered in the Actions. The Courts will determine the amount to be paid to Plaintiff Lawyers.

This Notice is a summary. For more information about the settlement, including a list of the Settling Individuals, or to read the settlement agreement, please visit www.FoamClassAction.ca or contact the Plaintiff Lawyers.

SCHEDULE "B"

PLAN OF DISSEMINATION

Notice of Certification/Authorization and Settlement Approval Hearing in the Matter of Polyurethane Products Class Action Litigation

Domfoam Settlement – Round 1

For the purposes of this Plan of Dissemination, the following definitions shall apply:

1. **Class Counsel** means Branch MacMaster LLP, Camp Fiorante Matthews Mogerman, Sutts Strosberg LLP, Morganti Legal PC and Belleau Lapointe;
2. **Domfoam Defendants** means Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd.;
3. **Foam Products** means polyurethane foam and any and all products that contain polyurethane foam;
4. **Pre-Approval Notice** means the Notice of Certification/Authorization and Settlement Approval Hearing, in the form attached as Schedule "A" to this Plan of Dissemination; and
5. **Settlement Class Period** means the period from January 1, 1999 to January 10, 2012.

The Plaintiffs propose that the Pre-Approval Notice shall be distributed in the following manner:

1. A copy of the Pre-Approval Notice will be published once in the following national and regional newspapers:
 - (a) The Globe and Mail (in English – Report on Business, National Edition), in a size not smaller than 1/6 of a page;
 - (b) Le Journal de Montréal (in French), in a size not smaller than 1/3 of a page; and
 - (c) Le Journal de Québec (in French), in a size not smaller than 1/3 of a page.
2. A copy of the Pre-Approval Notice will be forwarded to the Editor's Desk for hard copy and electronic publication in the following trade publications (subject to publication deadlines):

- (a) Furniture Today;
 - (b) Bed Times;
 - (c) Automotive News; and
 - (d) Canadian Home Builder.
3. A copy of the Pre-Approval Notice will be sent to the following organizations with a request that they distribute to their membership and/or post on their website:
- (a) Canadian Urethane Foam Contractors Association;
 - (b) Construction Specifications Canada;
 - (c) Council of Construction Trade Associations (BC);
 - (d) Canadian Home Furnishings Alliance;
 - (e) Canadian Carpet Institute;
 - (f) International Sleep Products Association;
 - (g) Automotive Parts Manufacturers' Association;
 - (h) The Packaging Association; and
 - (i) The Quebec Furniture Manufacturers Association.
4. A copy of the Pre-Approval Notice will be posted in electronic format in English and in French on the websites of Class Counsel, as well as on www.NationalClassActions.ca.
5. A copy of the Pre-Approval Notice will be provided to the CBA National Class Action Registry with a request that it be posted online.
6. A copy of the Pre-Approval Notice will be distributed to the Business Wire News Service.
7. A copy of the Pre-Approval Notice will be sent by direct mail by Class Counsel to those direct purchasers of the Domfoam Defendants who purchased Foam Products from the Domfoam Defendants in Canada during the Settlement Class Period, and whose particulars are provided to Class Counsel by the Domfoam

Defendants, subject to the ability of the Domfoam Defendants to locate a list of direct purchasers after making reasonable efforts.

8. A copy of the Pre-Approval Notice will be sent to all persons who have contacted Class Counsel and identified themselves as being potential class members.
9. A link to the Pre-Approval Notice will be posted by one or more Class Counsel on Twitter.
10. A website will be established in both French and English at www.FoamClassAction.ca to provide important information on the case. The website will be easy to use and the information available will be in easy print format or downloadable in PDF format. The website will employ search engine optimization to raise its visibility to internet search engines.

"HIL NEIGHBOR" FLOOR COVERING v. HICKORY SPRINGS MANUFACTURING
CO. LIMITED COMPANY, et al

Plaintiff

Defendants

Court File No. CV-11-17279

**ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT
WINDSOR**

Proceedings under the *Class Proceedings
Act, 1992*

ORDER
(Partial Certification and Pre-Approval Notice -
Carpet Underlay)

SUTTS, STROSSBERG LLP
Lawyers
600 - 251 Goyeau Street
Windsor, ON N9A 6VA

HEATHER RUMBLE PETERSON
LSUC #: 24671V

Tel: 519 561-6216
Fax: 519 561-6203

ANDREW J. MORGANTI
LSUC #: 57895E
119 Spadina Avenue, Suite 604
Toronto, ON M5V 2L1

Tel: 416 800-2171
Fax: 416 800-2171

LAWYERS FOR THE PLAINTIFF

FILE: 76-189-000

TAB G

EXHIBIT "6"

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

JUL 30 2013

ENTERED



Court File No. VLC-S-S-106362

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MAJESTIC MATTRESS MFG, LTD.

Plaintiff

AND:

VITAFOAM PRODUCTS CANADA LIMITED, VITAFOAM
INCORPORATED, HICKORY SPRINGS MANUFACTURING
COMPANY, VALLE FOAM INDUSTRIES (1995) INC., DOMFOAM
INTERNATIONAL, INC., A-Z SPONGE & FOAM PRODUCTS LTD.,
THE CARPENTER COMPANY, WOODBRIDGE FOAM
CORPORATION, FLEXIBLE FOAM PRODUCTS, INC., SCOTTDEL
INC., FOAMEX INNOVATIONS, INC., AND FUTURE FOAM, INC.

Defendants

Brought Under the *Class Proceedings Act*, RSBC 1996, c. 50

Court File No. S-106213

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

TRILLIUM PROJECT MANAGEMENT LTD.

Plaintiff

AND:

HICKORY SPRINGS MANUFACTURING COMPANY, VALLE FOAM
INDUSTRIES, INC., DOMFOAM INTERNATIONAL, INC., THE
CARPENTER CO., CARPENTER CANADA CO., THE WOODBRIDGE
GROUP, FLEXIBLE FOAM PRODUCTS, INC., SCOTTDEL INC.,
FOAMEX INNOVATIONS CANADA, INC., FUTURE FOAM, INC.,
VITAFOAM PRODUCTS CANADA LIMITED AND VITAFOAM, INC.

Defendants

Brought Under the *Class Proceedings Act*, RSBC 1996, c. 50

ORDER MADE AFTER APPLICATION (Certification and Notice Approval)

BEFORE THE HONOURABLE

MR. JUSTICE BOWDEN

)
)
)

30th DAY, THE 30th DAY OF
July, 2013

ON THE APPLICATION of the Plaintiffs, Majestic Mattress Mfg. Ltd. and Trillium Project Management Ltd. coming on for hearing at 800 Smithe Street, Vancouver, B.C. on June 28, 2013 at 9:00 a.m. PST, and on hearing Ward K. Branch, counsel for the Plaintiff Majestic Mattress Mfg. Ltd in SCBC Vancouver Registry No. VLC-S-S-106362 (the "Majestic Action"), Reidar Mogerman and Julie Facchin, counsel for the Plaintiff Trillium Project Management Ltd. in SCBC Vancouver Registry No. S-106213 (the "Trillium Action"), Christopher Naudie, counsel for Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (collectively, the "Domfoam Defendants"), Robert Tanner, counsel for a number of individual settling parties, and Jack Berkow, counsel for the remaining individual settling parties (the "Individual Settling Parties"), and on reading the pleadings and materials filed, including the *Canadian Judicial Protocol for the Management of Multijurisdictional Class Actions* (the "Protocol"), and on being advised that the Plaintiffs and others have entered into a settlement agreement with the Domfoam Defendants and the Individual Settling Parties (collectively, the "Parties"), dated January 10, 2012 (the "Settlement Agreement"); and on being advised that the Parties consent to this Order; and on being advised that the Non-Settling Defendants take no position on this Order;

THIS COURT ORDERS that:

1. Except to the extent that they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order;
2. For the purposes of this Order, the following definitions apply:
 - (a) "Foam Products" shall mean polyurethane foam and any and all products that contain polyurethane foam;
 - (b) "Carpet Underlay Products" shall mean the subset of Foam Products that are scrap polyurethane foam that is bonded together by various chemicals into a padding material and products containing scrap polyurethane foam that is bonded together by various chemicals into a padding material; and

(c) "Polyurethane Foam Products" shall mean the subset of Foam Products that are not Carpet Underlay Products;


3. The Majestic Action and the Trillium Action are certified as a class proceeding only as against the Domfoam Defendants, for settlement purposes only;
4. The BC Settlement Class is defined as:

All Persons resident in British Columbia who purchased Foam Products in Canada during the Settlement Class Period, except Excluded Persons;
5. Majestic Mattress Mfg. Ltd. and Trillium Project Management Ltd. are appointed as the representative plaintiffs for the BC Settlement Class;
6. The following issue is common to the BC Settlement Class:

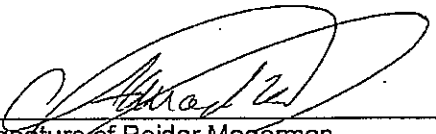
Did the Domfoam Defendants, or any of them, conspire to harm the Settlement Class Members during the Settlement Class Period? If so, what damages, if any, are payable by the Domfoam Defendants, or any of them to the Settlement Class Members?
7. National Class Action Services is appointed as the Opt Out Administrator;
8. BC Settlement Class members who wish to opt-out of the within Actions must do so by sending a written election to opt-out, together with the information required in the Settlement Agreement, to the Opt Out Administrator, appointed in this Order, postmarked on or before the Opt Out Deadline;
9. Any BC Settlement Class member who has not validly opted-out of the within Actions is bound by the Settlement Agreement and may not opt-out of the within Actions in the future;
10. The Notice of Certification or Authorization and Settlement Approval Hearings (the "Pre-Approval Notice") is hereby approved substantially in the form attached hereto as **Schedule "A"**;

11. The plan of dissemination for the Pre-Approval Notice (the "Plan of Dissemination") is hereby approved in the form attached hereto as **Schedule "B"**;
12. The Pre-Approval Notice shall be disseminated in accordance with the Plan of Dissemination approved as part of this Order; and
13. This Order, including without limiting the generality of the foregoing, the certification of the within Actions against the Dormfoam Defendants and the definitions of BC Settlement Class, Settlement Class Period and Common Issue, is without prejudice to any position a Non-Settling Defendant may take in this or any other proceeding on any issue, including any issue of appropriate forum or abuse of process, the issue of whether the Settlement Agreement should be approved and the issue of whether the within Actions should be certified as a class proceeding as against the Non-Settling Defendants. Except as set out below, no person may rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of this Order as authority against any of the Non-Settling Defendants in this or any other proceeding. For greater certainty, this Order, the Court's reasons in support of this Order and the certification of the within Actions against the Settling Defendants for settlement purposes only are not binding on and shall have no effect on this Court's ruling in this or any other proceeding as against the Non-Settling Defendants. Notwithstanding the foregoing, the Non-Settling Defendants may not rely, cite or refer to all or any part of this Order or any reasons given by the Court in support of this Order, and may not assert a deficiency in the notice plan and/or opt-out process set out in this Order, as a basis for opposition to approval of the Settlement Agreement, including without limitation as a basis for opposition to approval of the proposed bar order contained in the Settlement Agreement.

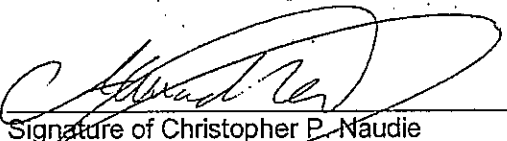
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER:



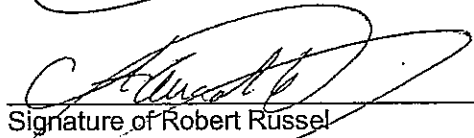
for Signature of Ward K. Branch
Lawyer for the Plaintiff Majestic Mattress Mfg. Ltd.




for Signature of Reidar Mogeran
Lawyer for the Plaintiff Trillium Project Management Ltd.



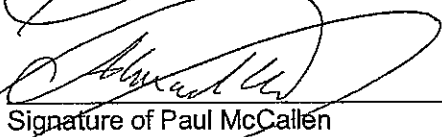
for Signature of Christopher P. Naudie
Lawyer for the Domfoam Defendants




for Signature of Robert Russel
Lawyer for the Defendants Vitafoam Products Canada Limited and
Vitafoam Incorporated



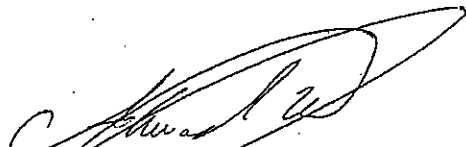
for Signature of David Kent
Lawyer for the Defendant Hickory Springs Manufacturing Company



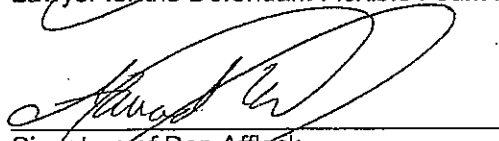
for Signature of Paul McCallen
Lawyer for the Defendant The Carpenter Co. and Carpenter Canada Co.




for Signature of Don Houston
Lawyer for the Defendant Woodbridge Foam Corporation



for Signature of Linda Plumpton
Lawyer for the Defendant Flexible Foam Products, Inc.



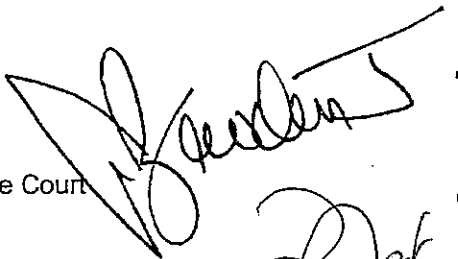
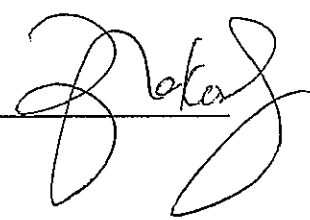
for Signature of Don Affleck
Lawyer for the Defendant Foamex Innovations, Inc.



for Signature of Kathryn Chalmers
Lawyer for the Defendant Future Foam, Inc.

By the Court

Registrar

SCHEDULE "A"

POLYURETHANE FOAM PRODUCTS CLASS ACTION **To Canadian Resident Purchasers of Polyurethane Foam and Polyurethane Foam Products** **Notice of Certification/Authorization and Proposed Canadian Settlement** **with Domfoam, Valle Foam, A-Z Sponge and Certain Individuals**

THE LAWSUITS

Class action lawsuits were commenced in Ontario, British Columbia and Quebec ("Actions") against manufacturers or suppliers of polyurethane foam or products containing polyurethane foam, including without limitation foam and products relating to furniture and bedding as well as carpet underlay ("Foam Products"), alleging they conspired to raise, fix, maintain or stabilize the price of Foam Products in Canada, and/or to allocate markets and customers for the sale of those products in Canada. The settling parties include Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (the "Domfoam Defendants"), as well as Dean Brayiannis ("Brayiannis") and certain additional current and former officers, employees and agents of the Domfoam Defendants (collectively, the "Settling Individuals").

THE PROPOSED SETTLEMENT

A settlement was reached with the Domfoam Defendants and the Settling Individuals. Settlement benefits include payment of \$1.226 million (the "Settlement Proceeds"), assignment of rights in other lawsuits and cooperation in prosecuting the Actions against others. The settlement must be approved by the British Columbia, Ontario and Quebec Courts ("Courts") to be effective.

CERTIFICATION / AUTHORIZATION

The Actions were certified/authorized as class actions for settlement purposes by the Courts in relation only to the Domfoam Defendants and the Settling Individuals that were parties to the Actions. It will be set aside if the settlement is not approved by all the Courts.

THE SETTLEMENT AFFECTS YOUR RIGHTS

If the settlement is approved, it will affect residents in Canada who purchased Foam Products in Canada **between January 1, 1999 and January 10, 2012** ("Settlement Class Period"), except those who opt out of the Actions, the Defendants and certain related parties ("Settlement Class Members").

Under the settlement, Settlement Class Members **RELEASE** the Settling Individuals (including Brayiannis) and other related parties from claims regarding the purchase of Foam Products in Canada in the Settlement Class Period, and commit to discontinue or dismiss certain proceedings as against the Domfoam Defendants and Brayiannis.

The way in which the net Settlement Proceeds will be distributed will be determined at a later date following further settlements with the non-settling defendants in the Actions or the complete resolution of the Actions. The Settlement Proceeds are being held in trust for the benefit of the Settlement Class Members for the time being. Once the Courts have approved the method for distributing the net Settlement Proceeds, another notice will be provided and posted online at <> explaining which Settlement Class Members are eligible for direct payment and how Settlement Class Members can apply to receive payment. Settlement Class Members should keep all purchase documents.

SETTLEMENT APPROVAL HEARINGS

The requests to approve the settlement will take place in hearings on <date> at <BC time> (British Columbia), <date> at <ON time> (Ontario) and <date> at <QC time> (Quebec).

THE CCAA PROCEEDING

The Domfoam Defendants were previously granted protection under the *Companies' Creditors Arrangement Act* ("CCAA"). The claims deadline has now passed. All claims against the Domfoam Defendants and certain of the Settling Individuals which were not filed in the CCAA Proceeding have been barred and extinguished. Under the settlement, the Plaintiffs reserved their right to file a claim on behalf of Settlement Class Members in the CCAA Proceeding. The Plaintiffs filed a claim on behalf of Settlement Class Members in the CCAA Proceeding in advance of the claims deadline. The outcome of this claim has not yet been determined.

YOUR OPTIONS

If you **do not want to participate in the Actions**, you must complete and send an Opt Out Form to <> by <date> (the "Opt Out Deadline"). Opt Out Forms are available at <website> or from the Plaintiff Lawyers. You will keep any right to sue individually (except against the Domfoam Defendants and certain of the Settling Individuals) but will not receive the benefit of this or future settlements or judgments in the Actions.

If you do not opt out of the Actions by the Opt Out Deadline, you will be bound by the settlement and will not be able to opt out of the Actions in the future.

If you have no objection to the settlement and want to continue to participate in the Actions, you do not need to do anything at this time.

To comment on or object to the settlement, you must write to one of the Plaintiff Lawyers by <7 days before the settlement approval hearings>. Comments and objections will be provided to the Courts.

THE PLAINTIFF LAWYERS

- For British Columbia residents: Branch MacMaster LLP at lbrasil@branmac.com, and Camp Fiorante Mathews Mogerma at polyfoam@cfmlawyers.ca;
- For Quebec residents: Belleau Lapointe at membres@recourscollectif.info; and
- For all others: Sutts Strosberg LLP at polyclassaction@strosbergco.com.

The Plaintiffs entered into contingency agreements with the Plaintiff Lawyers providing for payment of up to 1/3 of amounts recovered in the Actions. The Courts will determine the amount to be paid to Plaintiff Lawyers.

This Notice is a summary. For more information about the settlement, including a list of the Settling Individuals, or to read the settlement agreement, please visit www.FoamClassAction.ca or contact the Plaintiff Lawyers.

SCHEDULE "B"

PLAN OF DISSEMINATION

Notice of Certification/Authorization and Settlement Approval Hearing in the Matter of Polyurethane Products Class Action Litigation

Domfoam Settlement – Round 1

For the purposes of this Plan of Dissemination, the following definitions shall apply:

1. **Class Counsel** means Branch MacMaster LLP, Camp Fiorante Matthews Mogerman, Sutts Strosberg LLP, Morganti Legal PC and Belleau Lapointe;
2. **Domfoam Defendants** means Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd.;
3. **Foam Products** means polyurethane foam and any and all products that contain polyurethane foam;
4. **Pre-Approval Notice** means the Notice of Certification/Authorization and Settlement Approval Hearing, in the form attached as Schedule "A" to this Plan of Dissemination; and
5. **Settlement Class Period** means the period from January 1, 1999 to January 10, 2012.

The Plaintiffs propose that the Pre-Approval Notice shall be distributed in the following manner:

1. A copy of the Pre-Approval Notice will be published once in the following national and regional newspapers:
 - (a) The Globe and Mail (in English – Report on Business, National Edition), in a size not smaller than 1/6 of a page;
 - (b) Le Journal de Montréal (in French), in a size not smaller than 1/3 of a page; and
 - (c) Le Journal de Québec (in French), in a size not smaller than 1/3 of a page.
2. A copy of the Pre-Approval Notice will be forwarded to the Editor's Desk for hard copy and electronic publication in the following trade publications (subject to publication deadlines):

- (a) Furniture Today;
 - (b) Bed Times;
 - (c) Automotive News; and
 - (d) Canadian Home Builder.
3. A copy of the Pre-Approval Notice will be sent to the following organizations with a request that they distribute to their membership and/or post on their website:
- (a) Canadian Urethane Foam Contractors Association;
 - (b) Construction Specifications Canada;
 - (c) Council of Construction Trade Associations (BC);
 - (d) Canadian Home Furnishings Alliance;
 - (e) Canadian Carpet Institute;
 - (f) International Sleep Products Association;
 - (g) Automotive Parts Manufacturers' Association;
 - (h) The Packaging Association; and
 - (i) The Quebec Furniture Manufacturers Association.
4. A copy of the Pre-Approval Notice will be posted in electronic format in English and in French on the websites of Class Counsel, as well as on www.NationalClassActions.ca.
5. A copy of the Pre-Approval Notice will be provided to the CBA National Class Action Registry with a request that it be posted online.
6. A copy of the Pre-Approval Notice will be distributed to the Business Wire News Service.
7. A copy of the Pre-Approval Notice will be sent by direct mail by Class Counsel to those direct purchasers of the Domfoam Defendants who purchased Foam Products from the Domfoam Defendants in Canada during the Settlement Class Period, and whose particulars are provided to Class Counsel by the Domfoam

Defendants, subject to the ability of the Domfoam Defendants to locate a list of direct purchasers after making reasonable efforts.

8. A copy of the Pre-Approval Notice will be sent to all persons who have contacted Class Counsel and identified themselves as being potential class members.
9. A link to the Pre-Approval Notice will be posted by one or more Class Counsel on Twitter.
10. A website will be established in both French and English at www.FoamClassAction.ca to provide important information on the case. The website will be easy to use and the information available will be in easy print format or downloadable in PDF format. The website will employ search engine optimization to raise its visibility to internet search engines.

Court File No. VLC-S-S-106362

IN THE SUPREME COURT OF BRITISH COLUMBIA
BETWEEN:
MAJESTIC MATTRESS MFG, LTD. Plaintiff

AND:
VITAFOAM PRODUCTS CANADA LIMITED, VITAFOAM
INCORPORATED, HICKORY SPRINGS MANUFACTURING
COMPANY, VALLE FOAM INDUSTRIES (1995) INC., DOMFOAM
INTERNATIONAL, INC., A-Z SPONGE & FOAM PRODUCTS LTD.,
THE CARPENTER COMPANY, WOODBRIDGE FOAM
CORPORATION, FLEXIBLE FOAM PRODUCTS, INC., SCOTTDEL
INC., FOAMEX INNOVATIONS, INC., AND FUTURE FOAM, INC. Defendants
Brought Under the *Class Proceedings Act*, RSBC 1996, c. 50

Court File No. S-106213

IN THE SUPREME COURT OF BRITISH COLUMBIA
BETWEEN:
TRILLIUM PROJECT MANAGEMENT LTD. Plaintiff

AND:
HICKORY SPRINGS MANUFACTURING COMPANY, VALLE FOAM
INDUSTRIES, INC., DOMFOAM INTERNATIONAL, INC., THE
CARPENTER CO., CARPENTER CANADA CO., THE WOODBRIDGE
GROUP, FLEXIBLE FOAM PRODUCTS, INC., SCOTTDEL INC.,
FOAMEX INNOVATIONS CANADA, INC., FUTURE FOAM, INC.,
VITAFOAM PRODUCTS CANADA LIMITED AND VITAFOAM, INC. Defendants
Brought Under the *Class Proceedings Act*, RSBC 1996, c. 50

ORDER MADE AFTER APPLICATION
(Certification and Notice Approval)

BRANCH MACMASTER LLP
1410 - 777 Hornby Street
Vancouver, BC V6Z 1S4
Telephone: (604) 654-2999
Fax: (604) 684-3429
(File No.: X01-027)

TAB H

EXHIBIT "H"

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

N° 500-06-000524-104

M Dist. An Mois Jour Cas.

--	--	--	--	--	--

Dist. An Mois Jour Cas. Salle Piste

--	--	--	--	--	--	--	--

PROCÈS-VERBAL D'AUDIENCE

par défaut ex parte
 contesté enquête au fond

COUR SUPÉRIEURE
 COUR DU QUÉBEC

OPTION CONSOMMATEURS et al

Requérante

PRODUITS VITAFOAM CANADA LIMITÉE et AL

Intimées

Division: Gestion particulière

Salle: 15.04

Le 8 juillet 2013

PRÉSENT : L'HONORABLE JEAN-YVES LALONDE, J.C.S.

DEMANDE OU REQUÉRANT Voir ci-après

PRÉSENT(E) ABSENT(E) _____

DÉFENSE OU INTIMÉ Voir ci-après

PRÉSENT(E) ABSENT(E) _____

NATURE DE LA CAUSE _____

INTERPRÈTE _____ Demandé à nouveau oui non

GREFFIÈRE : Dominique Bouchard

STÉNOGRAPHE _____

RÉFÉRENCES

AM DÉBUT 14h17
FIN 15h48
PM DÉBUT
FIN

**Requête pour l'obtention d'ordonnances préliminaires
aux fins d'approbation d'une transaction (22)**

CANADA
PROVINCE DE QUÉBEC
District de Montréal

N° 500-06-000524-104

ENREGISTREMENT

Dist.	An	Mois	Jour	Cas.	Salle	Piste

PROCÈS-VERBAL D'AUDIENCE (suite)

LE 8 JUILLET 2013

LISTE DES PROCUREURS PRÉSENTS

Me Joséane Chrétien
Me Violette Leblanc
BELLEAU LAPOINTE
AVOCATS DE OPTION CONSOMMATEURS

Me Sylvain Lussier
OSLER, HOSKIN & HARTCOURT
**AVOCATS DE A-Z SPONGE & FOAM PRODUCTS LTD., DOMFOAM
INTERNATIONAL INC. ET VALLE FOAM INDUSTRIES (1995) INC.**

Me Yves Martineau
STIKEMAN ELLIOTT
AVOCATS DE FUTURE FOAM INC.

Me Marc-André Landry
BLAKE CASSELS & GRAYDON
AVOCATS DE MOHAWK INDUSTRIES INC.

Me André Durocher
FASKEN, MARTINEAU, DUMOULIN
AVOCATS DE LEGGETT & PLATT INC.

Me Nicolas Roche
HEENAN BLAIKIE
AVOCATS DE LES INDUSTRIES FOAMEXTRA INC.

Me Emmanuelle Demers
WOODS
AVOCATS DE CARPENTER CANADA CO. ET CARPENTER CO.

CANADA
PROVINCE DE QUÉBEC
District de **Montréal**

N° 500-06-000524-104

ENREGISTREMENT

Dist.	An	Mois	Jour	Cas.	Salle	Piste

PROCÈS-VERBAL D'AUDIENCE (suite)

LE 8 JUILLET 2013

Me Madeleine Renaud
MCCARTHY TÉTRAUULT
AVOCATS DE WOODBRIDGE FOAM CORPORATION

Me Tommy Tremblay
Borden Ladner Gervais
AVOCATS DE PRODUITS VITAFOAM CANADA LIMITÉE ET VITAFOAM INC.

Me Andrei Pascu
MCMILLAN
AVOCATS DE HICKORY SPRINGS MANUFACTURING COMPANY

Me Sylvie Rodrigue
Me Geneviève Bertrand
SOCIÉTÉ D'AVOCATS TORYS
AVOCATS DE FLEXIBLE FOAM PRODUCTS INC.

CANADA
PROVINCE DE QUÉBEC
District de Montréal

N° 500-06-000524-104

ENREGISTREMENT

Dist.	An	Mois	Jour	Cas.	Salle	Piste

PROCÈS-VERBAL D'AUDIENCE (suite)

LE 8 JUILLET 2013

- 14h17 **Ouverture de l'audience**
- 14h17 **Identification de la cause et des procureurs**
- 14h18 Commentaires préliminaires du Tribunal
- 14h19 Représentations de Me Chrétien sur amendement des pièces R-2 et R-3
- 14h20 Représentations de Me Chrétien sur l'amendement des pièces R-2 et R-3
- 14h23 Représentations de Me Lussier
- 14h26 Représentations de Me Martineau
- 14h27 Argumentation de Me Martineau
- 14h42 Commentaires de Me Lussier
- 14h43 Suite de l'argumentation de Me Martineau
- 14h47 Représentations et précisions de Me Landry
- 14h48 Représentations de Me Tremblay
- 14h49 Suite de l'argumentation de Me Martineau
- 14h50 Argumentation de Me Chrétien
- 15h19 Représentations de Me Lussier
- 15h26 Représentations de Me Tremblay
- 15h27 Représentations de Me Landry
- 15h28 Commentaires de Me Martineau

CANADA
PROVINCE DE QUÉBEC
District de **Montréal**

N° 500-06-000524-104

ENREGISTREMENT

Dist.	An	Mois	Jour	Cas.	Salle	Piste

PROCÈS-VERBAL D'AUDIENCE (suite)

LE 8 JUILLET 2013

JUGEMENT

15h30 **Pour les motifs énoncés verbalement et enregistrés numériquement, le Tribunal :**

ACCUEILLE la requête suivant ses conclusions en précisant que les pièces R-2 et R-3 sont substituées par les pièces R-2 et R-3 telles que révisées et déposées à l'audience;

DÉCLARE que rien dans ce jugement ne peut lier les intimés qui ne sont pas partie à la transaction du 10 janvier 2012, avoir effet de chose jugée à leur égard ou autrement, affecter leurs droits, notamment celui de contester la compétence des tribunaux du Québec;

Le tout sans frais;


15h39 **Suspension**

15h44 **Reprise**

FIXE l'audition pour adjudication de la requête en approbation de la transaction au **24 septembre 2013 en salle 2.08 à 9h00.**


JEAN-YVES LALONDE, j.c.s.

15h48 **Fin de l'audience**


Dominique Bouchard, gacs

TAB I

EXHIBIT ^{"I"}

COUR SUPÉRIEURE

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N° : 500-06-000524-104

DATE : October 28, 2013

PRESIDED BY : THE HONORABLE JEAN-YVES LALONDE, J.C.S.

OPTION CONSOMMATEURS

Petitioner
And

KARINE ROBILLARD

Designated Person

v.

PRODUITS VITAFOAM CANADA LIMITÉE
VITAFOAM INC.
CARPENTER CANADA CO.
CARPENTER CO.
A-Z SPONGE & FOAM PRODUCTS LTD.
DOMFOAM INTERNATIONAL INC.
VALLE FOAM INDUSTRIES (1995) INC.
FUTURE FOAM INC.
FLEXIBLE FOAM PRODUCTS INC.
LES INDUSTRIES FOAMEXTRA INC.
LEGGETT & PLATT INC.
MOHAWK INDUSTRIES INC.
HICKORY SPRINGS MANUFACTURING COMPANY
WOODBIDGE FOAM CORPORATION

Respondents

And

DELOITTE & TOUCHE INC.
FONDS D'AIDE AUX RECOURS COLLECTIFS

Mises-en-cause

JUDGMENT

63280

1. **WHEREAS** Option consommateurs has brought before this Court a Motion for the approval of the settlement agreement entered into notably with the Respondents Domfoam International, Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (the "Domfoam Defendants");
2. **CONSIDERING** the Motion before the Court;
3. **CONSIDERING** the exhibits in the file;
4. **CONSIDERING** also the agreement entered into on January 10th, 2012 between notably the Petitioner and the Domfoam Defendants, filed as part of Exhibit R-1 (the "Settlement Agreement");
5. **CONSIDERING** the submissions of the counsel for the parties and the representations made on all sides;
6. **CONSIDERING** the letter filed as Exhibit R-2 and dated October 21, 2013 from Coupons Parent inc. stating that it does not want to be excluded from the Proceedings and;
7. **CONSIDERING** Articles 1025, 1045 and 1046 of the *Code of Civil Procedure*;

FOR THESE REASONS, THE COURT:

8. **GRANTS** the present *Requête pour l'approbation d'une transaction*;
9. **DECLARES** that the definitions set forth in the Settlement Agreement apply to and are incorporated into this Judgment and, as a consequence, shall form an integral part thereof, being understood that the definitions are binding on the ~~P~~ parties to the Settlement Agreement, and that the other Respondents, which are Non-Settling Defendants, are in no way bound by those definitions except for the purposes of the Judgment; JKL
JCS
10. **DECLARES** that, subject to all of the other provisions of the Judgment, the Settlement Agreement is valid, fair, reasonable and in the best interest of the Québec Settlement

Québec Settlement Class Members, and constitute a transaction within the meaning of Article 2631 of the *Civil Code of Québec*, binding all parties and all members described thereto; ^{ML}_{J.C.S.}

11. **APPROVES** the Settlement Agreement in conformity with Article 1025 of the *Code of Civil Procedure* and **DECLARES** that it shall be implemented in accordance with its terms, but subject to the terms of the Judgment;
12. **DECLARES** that, subject to the other provisions of the Judgment, the Settlement Agreement, in its entirety (including the preamble, the definitions, schedules and addendum), is attached to the Judgment as Schedule "A" and shall form an integral part of the Judgment and shall be binding on all parties; ^P_{ML}
_{J.C.S.}
13. **DECLARES** that, in the event of a conflict or discrepancy between the terms of the present Judgment and those of the Settlement Agreement, the terms of the present Judgment shall prevail;
14. **ORDERS AND DECLARES** that, upon the Effective Date, each Releasor has released and shall conclusively be deemed to have fully, finally, irrevocably and forever released the Releasees from the Released Claims;
15. **DECLARES** that any Québec Settlement Class Member who makes a claim under the Settlement Agreement shall be deemed to have irrevocably consented to the full and final dismissal of all Other Actions he or she instituted against the Releasees, without costs and without reservation;
16. **ORDERS AND DECLARES** that this Judgment, including the Settlement Agreement, shall be binding on every Québec Settlement Class Member who has not validly opted-out of the action;
17. **DECLARES** that the Plaintiffs in Québec and the Québec Settlement Class Members expressly waive and renounce the benefit of solidarity with respect to any share of liability, including without limitation liability arising from *in solidum*

obligations, that can be attributed in any way to the Releasees in respect of the Québec Proceedings (if any), in capital, interest and/or costs;

18. **DECLARES** that the Plaintiffs in Québec and the Québec Settlement Class Members expressly waive and renounce, to the Releasees' exclusive benefit, to claim or receive payment from the Non-Settling Defendants or any other person of any amount representing any share of liability that can be attributed in any way to the Releasees in respect of the Québec Proceeding (if any), in capital, interests and/or costs;
19. **DECLARES** that the Plaintiffs in Québec and the Québec Settlement Class Members release the Non-Settling Defendants and any other person in respect of any share of liability that can be attributed in any way to the Releasees in respect of the Québec Proceeding (if any), in capital, interests and costs;
20. **DECLARES** that the Plaintiffs in Québec and the Québec Settlement Class Members will bear the Releasees' share in the contribution in respect of the Québec Proceeding (if any) that would result from the insolvency of a Non-Settling Defendant or any other Person;
21. **DECLARES** that in the event that any person brings an action in warranty or any other claim to obtain from the Releasees an amount representing the share of liability attributed to the Releasees in the Québec Proceeding (if any) and the Plaintiffs, the Domfoam Defendants, the Individual Settling Parties and the other Releasees are not able to obtain the dismissal of such an action or claim through a preliminary motion at first instance before the Québec Court, then the Plaintiffs in Québec and the Québec Settlement Class Members shall undertake to indemnify the Releasees and to save the Releasees harmless in respect of any damage, harm, loss or cost reasonably incurred in respect of such action or claim, provided that any such indemnity will only be paid out of any present or future undistributed settlement or judgment amount collected from the Non-Settling Defendants or named or unnamed co-conspirator or any other person for the benefit of the

Plaintiffs and the Québec Settlement Class Members in respect of the Québec Proceeding, provided however that the payment of this indemnity shall not affect the ability of the Plaintiffs to seek interim distributions of settlement funds subject to court approval;

22. **DECLARES** that this Court retains an ongoing supervisory role for the purposes of executing this Judgment;
23. **DECLARES** that Domfoam Defendants shall have no responsibility or involvement in the administration, investment or distribution of the Trust Account;
24. **DECLARES** that, notwithstanding the terms of section 4.5(23) of the Settlement Agreement, in the event that:
 - i. the Plaintiffs allege a material breach by one or more of the Domfoam Defendants, the Brayianis Defendant or the Individual Settling Parties (a "Non-Cooperating Party" or the "Non-Cooperating Parties") of their obligations under section 4.5 of the Settlement Agreement;
 - ii. the Plaintiffs apply to the Ontario Court for specific performance of such obligations by the Non-Cooperating Party or Parties;
 - iii. the Ontario Court finds that the Non-Cooperating Party or Parties have materially breached section 4.5 of the Settlement Agreement and orders specific performance (the "Cooperation Performance Order"); and
 - iv. the Non-Cooperating Party or Parties fail to comply with the Cooperation Performance Order;

the Settlement Agreement shall not be terminated as to the Non-Cooperating Party or Parties.

25. **ORDERS** that this Judgment is contingent upon the approval by the Ontario Court and the B.C. Court and this Judgment shall have no force and effect if such approval is not secured in Ontario and British Columbia;
26. **DECLARES** that Coupons Parent has not opted out of the Proceedings;
27. **THE WHOLE** without costs.


JEAN-YVES LALONDE, J.C.S.

TAB J



Canada Revenue Agency

Agence du revenu du Canada

Tax Centre
Mississauga ON L5R 4B4

November 19, 2013

ATTENTION:RE: 3113736 CANADA LTD
DELOITTE & TOUCHE INC SOLELY IN ITS
CAPACITY AS COURT-APPOINTED MONITOR
181 BAY STREET
SUITE 1400
TORONTO ON M5G 2V1

Account Number
14006 9568 RT0001

DEAR SIR/MADAM:

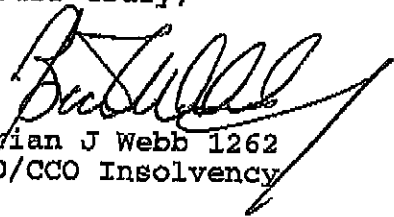
Re: 3113736 Canada Ltd.
Date of CCAA PROCEEDING: JANUARY 12, 2012

To support our claim for unpaid GST / HST in the above Proposal, we have enclosed a proof of claim, with Schedule "A", as an unsecured creditor for: \$183,834.95 FOR PRE DEBT AND \$127,022.60 POST.

Filing these proof of claim forms does not affect any rights Canada Revenue Agency (CRA) may have under the "Excise Tax Act." Accordingly filing them should not be construed as a waiver of those rights.

If you require further information with respect to our claim, please contact our office at one of the telephone numbers provided in this letter.

Yours truly,


Brian J Webb 1262
RO/CCO Insolvency

Enclosure(s)



Northern Ontario Regional
Collections/Compliance Centre
5800 Hurontario Street
Mississauga ON L5R 4B4

Local : 905-615-2358
Fax : 905-615-2712
Web site : www.cra.gc.ca

ATTACHMENT PAGE 1

Account Number

14006 9568 RT0001

Proof of Claim (Form 31)
Bankruptcy and Insolvency Act (Act)

All notices or correspondence regarding this claim must be sent to the following address:

Northern Ontario Regional
Collections/Compliance Centre
5800 Hurontario Street
Mississauga ON L5R 4B4
Attention: Brian J Webb 1262

In the matter of the proposal of 3113736 CANADA LTD of the City of BRAMPTON in the Province of ONTARIO, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, Brian J Webb 1262, of the City of MISSISSAUGA in the Province of ONTARIO, do hereby certify:

1. That I am a collections officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the proposal, namely the JANUARY 12, 2012, and still is, indebted to the creditor in the sum of \$183,834.95 PRE CCAA AND \$127,022.60 POST CCAA, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4.
(X) UNSECURED CLAIM of \$310,857.53 COMBINED.

That in respect of this debt, I do not hold any assets of the debtor as security and

- (X) Regarding the amount of \$310,857.53, I do not claim a right to a priority.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

6. That the following are the payments that I have received from,

ATTACHMENT PAGE 2

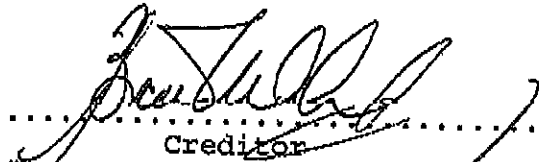
Account Number

14006 9568 RT0001

and the credits that I have allowed to the debtor within the three months immediately before the date of the initial proposal event within the meaning of subsection 2(1) of the Act.

Dated at Mississauga, the OCTOBER 25TH 2013.


.....
Witness


.....
Creditor
(Signature of person completing this Proof of Claim)

ATTACHMENT PAGE 3

Account Number

14006 9568 RT0001

SCHEDULE "A"

REGISTRANT: 3113736 CANADA LIMITED
 GST/HST Account #: 140069658RT0001
 Date of CCAA : JANUARY 12, 2012

Pre Filing Period					
From - To					
YMMDD	- YMMDD	Net Tax	Interest	Penalty	Period Total
111001	- 111031	91,572.09	540.54		92,112.63
111101	- 111130	91,572.09	150.23		91,722.32
PRE - CCAA FILING DEBT					183,834.95
111201	- 111231	91,572.09			91,572.09
120101	- 120112	30,524.01		686.79	31,210.80
120113	- 120131	1,905.36	350.21	1,984.12	4,239.69
POST CCAA FILING DEBT					127,022.60
TOTAL PRE FILING AND POST FILING					\$ 310,857.53

DELOITTE & TOUCHE INC., solely in its capacity as the Court-appointed Monitor of the Applicants, and without personal or corporate liability • • • Telephone: (416) 775-8831 Telecopier: (416) 601-6690 Email: christow@deloitte.ca		OFFICE USE ONLY	

		Date	Received

Court File No.: CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD.,
and A-Z SPONGE & FOAM PRODUCTS LTD.**

(the "Applicants")

PROOF OF CLAIM

I. DESCRIPTION OF DEBTOR, CREDITOR AND NATURE OF CLAIM

Name of entity against which claim is being made: (Check appropriate box in following list. If claims are being made against more than one entity, use a separate Proof of Claim form for each entity.)

- 3113736 Canada Ltd. (formerly known as Valle Foam Industries (1995) Inc.)
- 4362063 Canada Ltd. (formerly known as Domfoam International Inc.)
- A-Z Sponge & Foam Products Ltd.

(hereinafter the "Debtor")

Name of person asserting a claim against the Debtor: CANADA REVENUE AGENCY
(hereinafter the "Creditor")

Individual: Corporation: Other: Specify: GOVERNMENT (FEDERAL)

If individual, Creditor's Social Insurance Number: _____

If corporation, Business Identification Number: _____

Address of Creditor: NORTHERN ONTARIO REGIONAL
COLLECTIONS COMPLIANCE CENTRE
5800 HURONTARIO STREET
MISSISSAUGA, ON.
L5R 4B4.

Telephone number of Creditor:

905. 615-2358

E-mail address of Creditor:

Fax number of Creditor:

905-615-2712

I, BRIAN WEBB, of MISSISSAUGA, ONTARIO, do hereby certify:
(Name) (City and province)

1. That I am a Creditor of the Debtor

or that I am

COLLECTIONS OFFICER of CANADA REVENUE AGENCY
(State position or title) (Name of Creditor)

a Creditor of the Debtor.

2. That I have knowledge of all the circumstances connected with the claim referred to in this form.

3. (Check and complete appropriate category:)

That, as at January 12, 2012, the Creditor had and still has an unsecured claim against the Debtor in the sum of CAD\$ 310,857.53, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked Annex "A", after deducting any counterclaims to which the Debtor may be entitled. (Claims in US dollars should be converted to Canadian dollars at the rate of 1.0198%, being the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars on January 12, 2012. The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim.) (Give full particulars of the claim with all necessary supporting documentation.)

That, as at the date hereof, the Creditor has an unsecured claim against the Debtor which arose after January 12, 2012 in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked Annex "A", after deducting any counterclaims to which the Debtor may be entitled. (Claims in US dollars should be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging US dollars to Canadian dollars as of the date hereof. The attached statement, affidavit or solemn declaration must specify and attach the evidence in support of the claim.) (Give full particulars of the claim with all necessary supporting documentation.)

-or-

That, as at January 12, 2012, the Creditor had and still has a secured claim against the Debtor in the sum of CAD\$ _____, as shown by the statement (or affidavit or solemn declaration) attached hereto and marked Annex "A", after deducting any counterclaims to which the Debtor may be entitled. (The attached statement, affidavit or solemn declaration must specify and

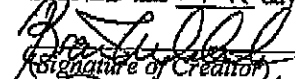
attach the evidence in support of the claim and the security held in respect of the claim, including copies of all security.) (Give full particulars of the claim and security with all necessary supporting documentation.)

- 4. That to the best of my knowledge and belief, I am (or the above-named Creditor is) (or am not or is not) related to the Debtor within the meaning of section 4 of the *Bankruptcy and Insolvency Act*.

II. ATTESTATION

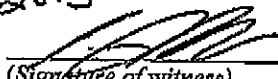
I hereby attest that, to the best of my knowledge, the information in this document is and any and all annexes hereto are truthful and accurate in all material respects.

SIGNED this 19th day of NOVEMBER, 2012-2013



 (Signature of Creditor)
 BRIAN WEBB

 (Name of Creditor in block letters)



 (Signature of witness)
 RICHARD MOON-WAN

 (Name of witness in block letters)
 5800 HURONTARIO ST

 MISSISSAUGA, ON

 L5R 4B4

 (Address of witness in block letters)

ATTACHMENT PAGE 4.

Account Number

14006 9568 RT0001

SCHEDULE "A"

REGISTRANT: 3113736 CANADA LIMITED
GST/HST Account.#: 140069658RT0001
Date of CCAA : JANUARY 12, 2012

Pre Filing Period					
From - To					
YYMMDD	- YYMMDD	Net Tax	Interest	Penalty	Period Total
-----	-----	-----	-----	-----	-----
111001	- 111031	91,572.09	540.54		92,112.63
111101	- 111130	91,572.09	150.23		91,722.32
PRE - CCAA FILING DEBT					183,834.95
111201	- 111231	91,572.09			91,572.09
120101	- 120112	30,524.01		686.79	31,210.80
120113	- 120131	1,905.36	350.21	1,984.12	4,239.69
POST CCAA FILING DEBT					127,022.60
TOTAL PRE FILING AND POST FILING					\$ 310,857.53
					=====

TAB K

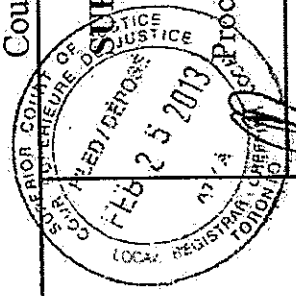
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

Feb 28/13

Court File No. CV-12-9545-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



Proceeding commenced at TORONTO

28 February, 2013

*The motion to extend the stay to
Feb 31, 2013 is not opposed and
I am satisfied that it is appropriate.
In light of the provisions in paragraph
11 of the GA report of the Monitor, I am
not prepared to approve the report
or the fees and disbursements. I
have discerned my concerns with the
Monitor*

Michael T.

EXHIBIT 5 K 3

MOTION RECORD OF THE APPLICANTS
(returnable February 28, 2013)
(re Extension of Stay Period)

MINDEN GROSS LLP
145 King Street West, Suite 2200
Toronto ON M5H 4G2

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416-864-9223 fax

Lawyers for the Applicants

TAB L

EXHIBIT "L"

Court File No. CV-12-9545-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and
A-Z SPONGE & FOAM PRODUCTS LTD.

APPLICANTS

AMENDED SIXTH REPORT OF THE MONITOR
DATED DECEMBER 12, 2013

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EXHIBITS

- EXHIBIT A: Initial Order dated January 12, 2012
- EXHIBIT B: U.S. Recognition Order dated February 24, 2012
- EXHIBIT C: Sale Process Order dated January 27, 2012
- EXHIBIT D: Extension Order dated February 8, 2012
- EXHIBIT E: Extension Order dated March 16, 2012
- EXHIBIT F: Extension Order dated June 15, 2012
- EXHIBIT G: Extension Order dated October 25, 2012
- EXHIBIT H: Claims Solicitation Procedure Order dated June 15, 2012
- EXHIBIT I: Canadian Class Action Settlement Agreement
- EXHIBIT J: Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to February 21, 2013
- EXHIBIT K: Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to February 21, 2013
- EXHIBIT L: Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to February 21, 2013
- EXHIBIT M: Affidavit of Catherine Hristow of Deloitte & Touche Inc., sworn February 22, 2013
- EXHIBIT N: Affidavit of Grant Moffat of Thornton Grout Finnigan LLP, sworn February 22, 2013

INTRODUCTION

1. By Order of the Court dated January 12, 2012 (the “**Initial Order**”), Valle Foam Industries (1995) Inc. (“**Valle Foam**”), Domfoam International Inc. (“**Domfoam**”) and A-Z Sponge & Foam Products Ltd. (“**A-Z Foam**”) (collectively, the “**Applicants**” or the “**Companies**”), obtained protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The CCAA proceeding with respect to the Applicants is referred to herein as the “**CCAA Proceeding**”.
2. Pursuant to the Initial Order, Deloitte & Touche Inc. (“**Deloitte**”) was appointed monitor of the Applicants as part of the CCAA Proceeding (the “**Monitor**”). Pursuant to the Initial Order, all proceedings against the Applicants were stayed until February 10, 2012, or until such later date as this Court would order (the “**Stay Period**”). A copy of the Initial Order is attached hereto as Exhibit “**A**”.
3. As noted in the Monitor’s Fourth Report to the Court dated June 12, 2012 (the “**Fourth Report**”), Valle Foam changed its name to 3113736 Canada Ltd. and Domfoam changed its name to 4362063 Canada Ltd. Throughout this Report, references to Valle Foam mean 3113736 Canada Ltd. and references to Domfoam mean 4362063 Canada Ltd.
4. On January 23, 2012, the Monitor in its capacity as foreign representative of the Companies in the CCAA Proceeding filed with the United States Bankruptcy Court, Northern District of Ohio (Western Division) (the “**U.S. Bankruptcy Court**”) a petition for recognition of the CCAA Proceeding as a foreign main proceeding pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.
5. By Order of the U.S. Bankruptcy Court dated January 27, 2012 (the “**Provisional U.S. Recognition Order**”), all litigation in the United States against the Companies was stayed on a provisional basis (the “**U.S. Litigation Stay**”) until February 10, 2012, and provided that the U.S. Litigation Stay would be automatically extended to correspond to any extension of the Stay Period in the CCAA Proceeding. By Order of the U.S. Bankruptcy Court dated February 24, 2012 (the “**U.S. Recognition Order**”), the CCAA Proceeding was recognized as a foreign main proceeding. A copy of the U.S. Recognition Order is attached hereto as Exhibit “**B**”.
6. By Order of the Court dated January 27, 2012 (the “**Sale Process Order**”), the Court authorized and approved the process (the “**Sales Process**”) pursuant to which the Companies invited offers

to purchase some or all of the Applicants' assets (the "Property"). The deadline for delivering an offer to purchase some or all of the Property was February 22, 2012. A copy of the Sale Process Order is attached hereto as Exhibit "C".

7. By Orders of the Court dated February 8, March 16, June 15, 2012 and October 25, 2012 (the "Extension Orders"), the Court has periodically extended the Stay Period, with the most recent extension expiring on February 28, 2013. Copies of the Extension Orders are attached hereto as Exhibits "D", "E", "F" and "G".
8. By Order of the Court dated June 15, 2012 (the "Claims Solicitation Procedure Order"), the Court authorized and approved the procedure (the "Claims Solicitation Procedure") to:
 - (i) identify and determine the validity of creditor claims against the Companies as at the date of the Initial Order, as well as any claims which arose subsequent to the date of the Initial Order (collectively, the "Claims"); and
 - (ii) identify claims against any of the current or former directors or officers (collectively, the "Directors and Officers") of the Companies (the "D&O Claims").

The deadline for submission for proofs of claim under the Claims Solicitation Procedure was August 31, 2012 (the "Claims Bar Date"). A copy of the Claims Solicitation Procedure Order is attached hereto as Exhibit "H".

9. The Initial Order together with related Court documents, the Notice to Creditors dated January 19, 2012, the Monitor's First Report to the Court dated January 25, 2012 ("First Report"), the Monitor's Second Report to the Court dated February 7, 2012 ("Second Report"), the Monitor's Third Report to the Court dated March 13, 2012 (the "Third Report"), the Monitor's Fourth Report to the Court dated June 12, 2012 ("Fourth Report") and the Monitor's Fifth Report to the Court ("Fifth Report") dated October 22, 2012 (collectively, the "Prior Reports"), have been posted on the Monitor's website at www.deloitte.com/ca/vallefoam (the "Monitor's Website"). The Monitor has also established a toll free number at 1-855-601-6415 and a dedicated e-mail address at vallefoam@deloitte.ca for creditors and other interested parties to contact the Monitor with questions or concerns regarding the CCAA Proceeding.

10. The purpose of this report (the "Sixth Report") is to update the Court with respect to the status of the Claims Solicitation Procedure and to provide the Court with the Monitor's recommendation with respect to the Companies' motion for an extension of the Stay Period to July 31, 2013.

TERMS OF REFERENCE

11. In preparing the Sixth Report, the Monitor has relied upon unaudited financial information, the Companies' books and records, the financial information prepared by the Companies, and discussions with management ("Management") and legal counsel for the Companies.
12. Unless otherwise stated, all dollar amounts contained in this Sixth Report are expressed in Canadian dollars.
13. Capitalized terms not otherwise defined in this Sixth Report are as defined in the Initial Order, the Fourth Report or the Claims Solicitation Procedure Order.

BACKGROUND

14. The Companies operated together as one of Canada's leading and largest manufacturers and distributors of flexible polyurethane foam products from facilities located in Ontario, Quebec and British Columbia. The operations of Valle Foam and Domfoam historically comprised substantially all of the Companies' operations. A-Z Foam and Valle Foam are wholly owned subsidiaries of Domfoam.
15. Mr. Anthony Vallecoccia is the President and Chief Executive Officer of Domfoam, President of Valle Foam, and the sole officer and director of A-Z Foam.
16. Other than security interests which may be claimed by certain equipment lessors, the Monitor is not aware of any secured creditors of the Companies. As at January 11, 2012, the total liabilities of Valle Foam, Domfoam and A-Z Foam, not including any claims pursuant to the Class Actions (as defined below), amounted to approximately \$11,218,000, \$11,339,000 and \$368,000 respectively.

The Competition Bureau (Canada) Fines and Related Litigation

17. As set out in the First Report, both Domfoam and Valle Foam were charged with, and on January 5, 2012, pled guilty to, certain offences under the *Competition Act*, R.S.C. 1985, c C-34 (the "*Competition Act*") arising from collusion with other manufacturers of slab foam and carpet underlay within Canada to lessen competition in the sale or supply of these products and by conspiring with other manufacturers to fix or control the price for these products.
18. Domfoam was fined a total of \$6.0 million and Valle Foam was fined a total of \$6.5 million. No fine was assessed against A-Z Foam as no charges were laid against A-Z Foam. In accordance with the terms of the sentence imposed, Valle Foam paid \$500,000 in partial payment of the fines imposed against it on the same day the guilty pleas were entered.
19. As a result of the foregoing, each of Valle Foam and Domfoam has an outstanding liability of \$6.0 million in fines payable to the Crown.
20. In accordance with the terms of the sentences imposed, Domfoam and Valle Foam are to each pay \$1.0 million on the 1st of January of each year, commencing in 2013 and ending in 2018.
21. As set out in the Affidavit of Tony Vallecoccia sworn January 11, 2012, (the "Vallecoccia Affidavit"), the Applicants disclosed their financial difficulties to the Crown prior to the entry of their guilty pleas and advised of the Applicants' intention to file for protection under the provisions of a Canadian insolvency regime.
22. The Monitor has been advised by the Companies that, as part of the plea arrangement with the Crown, certain officers and directors of the Companies are required to provide sworn testimony to the Competition Bureau.

CLASS ACTIONS

23. The Monitor has been advised by the Applicants that some or all of the Applicants have been named as defendants in four class action lawsuits in Canada, and over two dozen class action lawsuits in the United States (together, the "Class Actions"), based upon allegations of price fixing by certain of the Applicants and other manufacturers in the slab foam industry.

24. The Canadian Class Actions consist of separate proceedings commenced in each of British Columbia (the "BC Proceeding"), Ontario (the "Ontario Proceeding") and Quebec (the "Quebec Proceeding"). The Canadian Class Actions advance joint and several claims against the Companies and certain other defendants or respondents on behalf of proposed classes comprised of all persons or entities who purchased polyurethane foam and polyurethane foam products in Canada from and after January 1, 1999.
25. Settlements have been reached with virtually all of the Plaintiffs in both the Canadian and U.S. Class Actions. The terms of the settlement in the Canadian Class Actions are set out in the Canadian Polyurethane Foam Class Actions National Settlement Agreement dated as of January 10, 2012 (the "Canadian Class Action Settlement Agreement"), a copy of which is attached as Exhibit "I". Under both the Canadian Class Action Settlement Agreement and the settlements in the US Class Actions, the Class Actions have been discontinued as against the Companies, provided that the Plaintiffs in the Class Actions may still assert their claims as creditors within the CCAA Proceeding in amounts to be determined. The Canadian Class Action Settlement Agreement is still subject to separate Court approvals in Ontario, British Columbia and Quebec. The settlements of the US Class Actions are still subject to Court approval in the United States.
26. The Canadian Class Actions have not yet been certified by the supervising Courts in British Columbia, Ontario and Quebec. The Monitor understands that Court approval of the Canadian Class Action Settlement Agreement will be sought from the supervising Courts in British Columbia, Ontario and Quebec after a Multijurisdictional Case Management Order is obtained, and the Canadian Class Actions have been certified. The Monitor has been advised by counsel to the Companies that no date has yet been set for the necessary approvals by the Canadian Courts.
27. The Monitor has been advised by counsel to the Companies that the Plaintiffs in the various U.S. Class Actions have dismissed both Domfoam and Valle Foam from such proceedings. Although preliminary approvals have been obtained from the U.S. Courts, the Monitor is not aware of the timetable for receipt of the final approvals from the U.S. Courts in connection with settlement of the U.S. Class Actions.
28. As noted in the Fifth Report, the Companies are unable to determine at this time the cost to complete the Court approval process with respect to the Class Action settlements described above as well as to complete their various continuing obligations under such settlement agreements. The law firms representing the Companies in the Class Actions have been paid retainers by the

Companies. The Monitor has advised the Companies that the Companies' Class Action counsel should rely upon the foregoing retainers to fund any fees incurred through to the requested extension of the Stay Period. The Monitor and the Companies expect to be in a better position to reassess the ongoing costs associated with settlement of the Class Action once the settlement agreements have been approved by the supervising Courts.

29. The Canadian Class Action Settlement Agreement and the settlements reached in the US Class Actions require the Companies to make available for examination certain current and former officers and directors of the Companies. Certain officers and directors of the Companies were examined in the United States in January 2013. The Monitor has permitted the Companies to fund the legal fees and expenses of the Companies' former officers and directors in connection with such examinations to ensure that the settlements in the Canadian and US Class Actions are not jeopardized.
30. Pursuant to section 4.2 of the Canadian Class Action Settlement Agreement, the Companies agreed to assign to the Canadian Class Action Plaintiffs the Companies' right to receive any proceeds from the class action proceedings pending before the United States District Court for the District of Kansas under the caption *In re Urethane Antitrust Litigation* (the "US Urethane Proceedings"), provided that such assignment is limited to the maximum amount of the first \$200,000 the Companies may receive thereunder.
31. Section 4.2 (2) of the Canadian Class Action Settlement Agreement provides that any distribution of funds to the Companies from the US Urethane Proceedings up to the \$200,000 cap as described above, shall be paid to the escrow agent appointed by the parties (the "Escrow Agent"). Robert Tanner, an Ontario solicitor, has been appointed as Escrow Agent. The Canadian Class Action Settlement Agreement specifically provides that payment of such funds is subject to any order of the Court in the CCAA Proceeding. The Companies have not made any representation that the foregoing assignment is valid or enforceable.
32. It appears that the Companies retained Refund Recovery Services, LLC in 2008 to assist in asserting and recovering its claim in the US Urethane Proceedings in consideration of a fee equal to 25% of all funds paid to the Companies.
33. An entity known as Enterprise Law Group claims to act for Valle Foam only in connection with its claims under the US Urethane Proceedings. Counsel to the Companies has written to

Enterprise Law Group requesting an explanation regarding the division of responsibilities for the Companies' claims between Refund Recovery Services, LLC and Enterprise Law Group. To date, no such explanation has been provided.

34. In January 2013, the Applicants' legal counsel received correspondence from Enterprise Law Group including a cheque in the amount of US\$331,928.29 for Valle Foam in respect of the U.S. Urethane Proceedings. These funds are currently in the possession of Valle Foam and are in the process of being sent to the Monitor. The foregoing payment may be subject to a collection fee by Enterprise Law Group equal to 25% of the foregoing amount. The Monitor is continuing to review this issue with the Companies' counsel and will report back to the Court once it has been resolved.
35. Also in January 2013, the Applicants' legal counsel received correspondence from Lex Group, LLC, enclosing cheques in the amount of US\$196,802.78 and US\$28,325.87 for Domfoam and A-Z Foam respectively, net of the 25% collection fees payable to Refund Recovery Services, LLC. The Monitor understands that Lex Group, LLC is related to Refund Recovery Services, LLC. The Applicants' legal counsel sent the cheques to the Monitor for Domfoam and A-Z Foam which were converted to CAD\$195,248.04 and \$27,821.67 respectively.
36. The Monitor does not object to the first \$200,000 received by the Companies pursuant to the US Urethane Proceedings being delivered to the Escrow Agent in accordance with the terms of the Canadian Class Action Settlement Agreement, provided such funds remain in the Escrow Agent's possession pending resolution of the validity and enforceability of the assignment of such funds to the Canadian Class Action Plaintiffs. The Monitor is concerned that payment of such funds to the Canadian Class Action Plaintiffs would be preferential. Notwithstanding this concern, it may be possible to resolve the competing claims to such funds as part of the overall resolution of the value of the Canadian Class Action Plaintiffs' claims against the Companies.
37. As noted in the Fifth Report, the Applicants, with the concurrence of the Monitor, determined that the appropriate pro rata allocation of the professional fees to Valle Foam, Domfoam and A-Z Foam should be 45%, 45% and 10% respectively. Accordingly, the Applicants have proposed and the Monitor agrees that the \$200,000 payment to the Escrow Agent be made on the same basis, namely payments in the amount of \$90,000, \$90,000, and \$20,000, from Valle Foam, Domfoam and A-Z Foam respectively.

ACTIVITIES OF THE MONITOR

38. The Monitor has undertaken the following activities since the date of the Monitor's Fifth Report:
- (a) met with legal counsel of the Canadian Class Action claimants with a view to resolving the proofs of claim filed by the Canadian Class Action claimants pursuant to the Claims Solicitation Procedure;
 - (b) reviewed various claims filed after the Claims Bar Date, as described below; and
 - (c) monitored the business and financial affairs of the Applicants, and prepared this Sixth Report.

SALE OF COMPANIES' ASSETS

39. As described in more detail in the Fourth Report, all of the Companies' assets have been sold pursuant to separate transactions. The Monitor is in receipt of the proceeds of sale of these transactions. The Monitor is not aware of any additional assets of the Companies which may be realized upon for the benefit of the Companies' creditors, other than certain accounts receivable of Valle Foam (book value approximately \$2.0 million) of which the Applicants and the Applicants' legal counsel are pursuing collection, and any future payments which may be received in the US Urethane Proceedings. The Monitor has not reviewed the individual accounts receivable invoices and has not made a determination of the collectability of the remaining accounts receivable.

POST CLOSING MATTERS – A-Z FOAM

40. As noted in the Fourth Report, the transaction under the A-Z Sale Agreement closed on or about March 29, 2012. The A-Z Foam Purchaser paid net proceeds of sale under the A-Z Sale Agreement in the amount of \$842,278.49, which are now held by the Monitor.
41. On June 15, 2012, the Monitor received funds in the amount of \$304,564.36 from RBC representing all of the funds in the RBC Canadian and U.S. bank accounts for A-Z Foam.

42. As noted in paragraph 35 of the Fifth Report, paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. The Monitor did not object to the payment by A-Z Foam of its post-filing obligations incurred in the ordinary course of business in the amount of \$20,610.40, which have been paid from the proceeds of sale of A-Z Foam's assets held by the Monitor.
43. Paragraph 7 of the Initial Order states that the "Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment, insurance (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
 - (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until or after the date of this Order.
44. Pursuant to the Claims Solicitation Procedure, Canada Revenue Agency ("CRA") filed a Proof of Claim ("CRA A-Z Claim") in the amount of \$104,789.08 on December 8, 2012, after the Claims Bar Date. The CRA Proof of Claim consists of a post-filing claim for source deductions in the amount of \$3,027.47, including penalties and interest of \$311.67, and post-filing HST in the amount of \$101,761.61, including penalties and interest of \$6,253.61.
45. Given the terms of the Initial Order, the amount claimed by CRA pursuant to the CRA A-Z Claim should be paid by A-Z Foam, notwithstanding that the CRA A-Z Claim was received after the Claims Bar Date. If A-Z Foam had not remitted the balance of funds on hand on June 15, 2012 to the Monitor, A-Z Foam would be in possession of sufficient funds to pay the CRA Claim. The Monitor does not object to proceeds of sale of A-Z Foam's assets in the possession of the Monitor being partially utilized to pay the amount of the CRA A-Z Claim.

POST-CLOSING MATTERS – DOMFOAM

46. The transaction under the Domfoam Sale Agreement closed on or about March 26, 2012. The Domfoam Purchaser paid net proceeds of sale under the Domfoam Sale Agreement in the amount of \$4,008,346.87, which are held by the Monitor, including the working capital adjustment as noted in the Fourth Report.
47. As noted in the Fourth Report, there was approximately CAD\$306,000 and US \$7,000 in the bank accounts maintained by Domfoam with RBC. Paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. Domfoam paid operating expenses from the funds on hand and, on October 31, 2012, delivered to the Monitor the remainder of the funds in its RBC bank accounts in the amounts of \$293,449.75 and US\$3,596.77. The US funds have been converted to CAD funds by the Monitor.

POST-CLOSING MATTERS - VALLE FOAM

48. The transaction under the Valle Sale Agreement closed on or about March 30, 2012. The Valle Foam Purchaser paid net proceeds of sale under the Valle Sale Agreement in the amount of \$1,525,000, which are held by the Monitor. On February 12, 2013, the Monitor received \$35,000 from the Valle Foam Purchaser for the inventory adjustment under the Valle Sale Agreement as noted in the Fifth Report.
49. Paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. As described below, Valle Foam paid \$1,083,123.46 on behalf of the other Companies with respect to certain professional fees incurred by the Companies in respect of the Class Actions and the Competition Bureau proceeding. As a result, Valle Foam did not have sufficient funds to pay certain post-filing obligations. As at the date of the Fourth Report, Valle Foam only had \$2,000 and USD \$14,000 in its bank accounts, which funds were subsequently used to pay only some of its post-filing expenses incurred in the ordinary course. From the reimbursement of funds received by Valle Foam from Domfoam and A-Z Foam in respect of professional fees described below, Valle Foam paid certain of its remaining post-filing expenses in the ordinary course in the amount of \$67,079.53.

50. As noted in the Fifth Report, the Monitor does not object to the payment by Valle of its post-filing obligations incurred in the ordinary course of business in the amount of \$1,993.32.

CLAIMS SOLICITATION PROCEDURE

51. The Monitor, with the assistance of the Companies, reviewed all Proofs of Claim delivered to the Monitor by the Claims Bar Date. Except as described below, the Monitor has not reviewed or taken any steps with respect to any Proofs of D&O Claim delivered to the Monitor.
52. The Claims Solicitation Procedure Order does not include procedures for reviewing and determining D&O Claims. There were a number of creditors with claims against the Companies who mistakenly filed a Proof of D&O Claim instead of a Proof of Claim. The Monitor, after consultation with the Applicants, disallowed the improperly filed Proofs of D&O Claim and either admitted the claimed amount as a Proof of Claim, or issued a partial disallowance.
53. Listed below is a summary of the pre-filing and post-filing Proofs of Claim which have been admitted by the Monitor and those Proofs of Claim that are pending resolution, which are discussed later in this report.

Company	Pre-Filing (Admitted)	Post-Filing (Admitted)	Pending Resolution	Total
Valle Foam	\$ 8,529,565.41	\$ 758,821.94	\$ 292,500,000.00	\$ 301,788,387.35
Domfoam	\$ 8,045,747.98	\$ -	\$ 295,412,919.10	\$ 303,458,667.08
A-Z Foam	\$ 82,398.29	\$ 20,610.40	\$ 292,500,000.00	\$ 292,603,008.69

54. Of the approximately \$759,000 in Claims filed against Valle Foam for post-filing obligations, approximately \$757,000 is in respect of severance and termination claims by employees who were terminated post January 12, 2012.
55. In accordance with paragraph 31 of the Initial Order, Valle Foam was authorized to advance funds up to, but not exceeding \$1,000,000 to either A-Z Foam or Domfoam to be used for operating purposes (the "Valle Foam Loan"). A-Z Foam and Domfoam granted security to Valle Foam for the Valle Foam Loan. As noted in Prior Reports, Domfoam owes Valle Foam \$700,000 in respect of the Valle Foam Loan. The Claims Solicitation Procedure Order did not require Valle Foam to file a Proof of Claim in respect of any amounts outstanding under the Valle

Foam Loan. Although Domfoam has not yet repaid its indebtedness to Valle Foam under the Valle Foam Loan, the Monitor anticipates that such payment will be addressed in connection with the ultimate distribution of funds available in the Companies' estates.

56. No Proof of Claim forms were filed by the U.S. Class Action claimants.
57. Included in the amount of admitted Claims against both Valle Foam and Domfoam are the claims submitted by the Competition Bureau in the amount of \$6.0 million respectively.
58. In accordance with the Claims Solicitation Procedure Order, the Monitor sent by September 21, 2012 a Notice of Revision or Disallowance in respect of any Proof of Claim disputed by the Monitor in whole or in part indicating the reasons for the revision or disallowance. Those Proofs of Claim received by the Claims Bar Date in respect of which the Monitor did not send a Notice of Revision or Disallowance by September 21, 2012 are deemed to be Proven Claims.
59. Pursuant to the Claims Solicitation Procedure Order, any Creditor who receives a Notice of Revision or Disallowance and who objects to the amount of the Claim set out therein or any other provisions of such notice was required to deliver to the Monitor on or before 5:00 p.m. on October 5, 2012 a Notice of Dispute. If a Creditor failed to deliver a Notice of Dispute to the Monitor by the foregoing deadline, then the value of such Creditor's claim is deemed to be as set out in the Monitor's Notice of Revision or Disallowance.
60. Any creditor who has delivered a Notice of Dispute to the Monitor by the foregoing deadline is required, unless otherwise agreed by the Monitor in writing, to serve on the Monitor and the Applicants a notice of motion in the Court, returnable not less than 30 days after the service of the Notice of Dispute, for determination of the claim in dispute, failing which the value of such Creditor's claim shall be deemed to be as set out in the applicable Notice of Revision or Disallowance.

CLAIMS DISALLOWED BY THE MONITOR

61. In connection with the Notices of Revision or Disallowance issued by the Monitor, only four Notices of Dispute were received as described below.
62. Revenu Quebec filed a Proof of Claim in the amount of \$2,912,679.00. The Monitor, after consultation with the Applicants, issued a Notice of Revision or Disallowance disallowing the claim of Revenu Quebec in full on September 21, 2012. On October 5, 2012, Revenu Quebec issued a Notice of Dispute in the full amount of its original claim which has yet to be resolved. The Monitor has agreed to extend the time for Revenu Quebec to bring its motion before the Court to determine its claim to provide the parties an opportunity to resolve same.
63. As noted in the Fifth Report, the most significant Proofs of Claim submitted to the Monitor were filed in respect of the Canadian Class Actions. The Monitor received three separate Proofs of Claim as follows:
 - (a) Proof of Claim from one of the Plaintiffs in the BC Proceedings on behalf of a proposed class of all persons or entities in British Columbia who purchased polyurethane foam or polyurethane foam products, including carpet underlay, directly from the Companies from January 1, 1999 to the present;
 - (b) Proof of Claim by the Plaintiff in the Ontario Proceeding on behalf of a proposed class of all persons or entities in Canada who purchased foam products or carpet underlay directly and/or indirectly from the Companies from January 1, 1999 to the present, except for purchasers in the BC and Quebec Proceedings; and
 - (c) Proof of Claim from one of the Plaintiffs in the Quebec Proceeding, together with a proposed class of all persons and entities in Quebec who purchased polyurethane foam products,(collectively, the "Canadian Class Action Proofs of Claim").
64. The Canadian Class Action Proofs of Claim do not specify the amount claimed but instead indicate such amount is "to be ascertained".

65. In addition to the Canadian Class Action Proofs of Claim as noted above, two additional claimants, Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. filed Proofs of Claim as members of a proposed class in amounts yet to be determined.
66. The Monitor issued a Notice of Revision or Disallowance in respect of each of the Canadian Class Action Proofs of Claim on the following basis:
 - (a) no agreement between the party filing the Proof of Claim and the proposed class or an Order of the Court or any other authority pursuant to which the party filing the Proof of Claim is authorized to file the Proof of Claim on behalf of the subject class was provided to the Monitor; and
 - (b) the Monitor required that the amount claimed under each Canadian Class Action Proof of Claim be quantified.
67. The Monitor issued a Notice of Revision or Disallowance in respect of Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. on the same basis as the Canadian Class Action Notice of Disputes as noted above.
68. In accordance with the Claims Solicitation Procedure Order, the Monitor received Notices of Dispute in respect of each of the foregoing Notices of Revision or Disallowance. The Notices of Dispute confirm that the plaintiffs in the Canadian Class Actions have not sought certification or authorization of the Canadian Class Actions because the Canadian Class Action Settlement Agreement calls for doing so concurrently with settlement approval. The Plaintiffs have secured in the Canadian Class Action Settlement Agreement, the right to advance collective claims in the CCAA proceeding. The Notices of Dispute also provide that, to the extent the Monitor continues to take issue with the claimant's ability to advance collective Claims in the CCAA proceedings, the claimant will take steps to immediately seek certification or authorization of the Canadian Class Actions retroactive to the date of the settlement agreement so that there is no question that those Claims can be advanced as agreed by the parties.
69. The Notices of Dispute also address quantification of the Claims in the Canadian Class Actions. The Notices of Dispute provide that the amount claimed under each of the Canadian Class Action Proofs of Claim is \$97,500,000 (\$292,500,000 in total) on behalf of the class of plaintiffs referenced in the subject Proof of Claim. The amount claimed is calculated as 10% of the total sales to customers in Canada by Domfoam and Valle Foam during the relevant period. The

Notices of Dispute provide that it is the practice of the Competition Bureau and of the U.S. Department of Justice to establish fines using 20% of the volume of commerce to arrive at the appropriate fine. Of that amount, 10% is considered to be the estimate of the damages flowing from the overcharges, whereas the additional 10% is assessed for deterrence purposes.

70. The Notices of Dispute also note that the \$12,500,000 fine levied by the Competition Bureau against Domfoam and Valle Foam was calculated based upon the statutory maximum fine of \$25,000,000.00, which was further discounted by 50% pursuant to the Competition Bureau's leniency program.
71. The Monitor, the Applicants and respective legal counsel met with counsel for the Canadian Class Action claimants to discuss the quantum of the claims and to attempt to resolve the amounts claimed under the Canadian Class Action Proofs of Claim. Counsel to the Canadian Class Action Plaintiffs has since delivered to the Monitor a report providing an explanation of the amount claimed under the Canadian Class Action Proofs of Claim. The Monitor, together with its counsel and the Companies' counsel, is reviewing the merits of the methodology relied upon by the Canadian Class Action Plaintiffs to justify the amount claimed under the Canadian Class Action Proofs of Claim.
72. In anticipation of the Canadian Class Actions being certified by the supervising Courts, the Monitor and the Applicants will continue their attempt to resolve the value of the Canadian Class Action Proofs of Claim, failing which, the Monitor will seek advice and directions from the Court with respect to quantification of the Canadian Class Action Proofs of Claim.
73. Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. did not file Notices of Dispute and the Monitor has been advised that those claimants are relying on the Notice of Dispute filed by the Canadian Class Action claimants.

LATE FILED CLAIMS

74. As noted above, the Claims Bar Date was 5:00 pm EDT on August 31, 2012. Paragraph 4 of the Claims Solicitation Procedure Order states that "nothing in this Order shall confer upon the Monitor or the Applicants the discretion or authority to amend or to extend the Claims Bar Date without further order of this Court."

75. Subsequent to August 31, 2012 to the date of this report, the following late claims have been received and are in the process of being reviewed, other than the CRA A-Z Claim as noted above:

Company	Pre-Filing	Post-Filing	Total
Valle Foam	\$ -	\$ 39,240.08	\$ 39,240.08
Domfoam	\$ 73,910.13	\$ -	\$ 73,910.13
A-Z Foam	\$ 4,830.80	\$104,789.08	\$109,619.88

76. The Monitor proposes to address the treatment of all Proofs of Claim filed after the Claims Bar Date as part of a subsequent motion to approve distribution of funds to those creditors of the Companies holding Proven Claims.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

77. Attached as Exhibit "J" is the Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to February 21, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, reimbursement of legal fees and other receipts are \$5,996,778.48. Total disbursements are \$540,247.58. Net cash on hand as at February 21, 2013 is \$5,456,530.90.
78. Attached as Exhibit "K" is the Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to February 21, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, US Urethane settlement funds and other receipts are \$4,517,768.04. Total disbursements are \$1,068,191.71. Net cash on hand as at February 21, 2013 is \$3,449,570.33.
79. Attached as Exhibit "L" is the Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to February 21, 2013. Total cash receipts from the sale of assets, the collection of accounts receivable, US Urethane settlement funds and other receipts are \$1,187,849.82. Total disbursements are \$273,980.03. Net cash on hand as at February 21, 2013 is \$913,869.79.

PROFESSIONAL FEES

80. The Monitor and its independent legal counsel, Thornton Grout Finnigan LLP ("TGF") have maintained detailed records of their professional time and costs since the issuance of the Initial Order. Pursuant to paragraph 29 of the Initial Order, the Monitor and TGF were directed to pass their accounts from time to time before this Court.
81. The total fees of the Monitor during the period from October 1, 2012 to January 31, 2013 amount to \$53,815.00, together with expenses and disbursements in the amount of \$75.56 and harmonized sales tax ("HST") in the amount of \$7,005.77, totalling \$60,896.33 (the "Monitor Fees"). The time spent by the Monitor is more particularly described in the Affidavit of Catherine Hristow of Deloitte & Touche Inc., sworn February 22, 2013, sworn in support hereof and attached hereto as Exhibit "M".
82. The total legal fees incurred by the Monitor during the period October 1, 2012 to January 31, 2013 for services provided by TGF as the Monitor's independent legal counsel amount to \$23,045.00, together with disbursements in the amount of \$203.28 and HST in the amount of \$3,022.28, totalling \$26,270.56. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn February 22, 2013 in support hereof and attached hereto as Exhibit "N".

ALLOCATION OF PROFESSIONAL FEES

83. As noted in the Fourth Report, Valle Foam paid all of the professional fees incurred by the Companies in connection with the Class Actions and the Competition Bureau proceeding. As at the date of the Fifth Report, Valle Foam had paid \$1,083,123.46 on behalf of all of the Companies with respect to the fees of the Applicant's legal counsel, the fees of the Monitor and its legal counsel, and the Companies' Class Action legal counsel, all of which should be allocated on a pro rata basis. The Applicants, with the concurrence of the Monitor, determined that the appropriate pro rata allocation of the foregoing professional fees to Valle Foam, Domfoam and A-Z Foam should be 45%, 45% and 10% respectively. Ongoing payment of the Monitor's fees, and legal fees incurred by the Monitor and the Applicant are paid on the above noted prorated basis.

84. Valle Foam also gave retainers to a number of law firms prior to January 12, 2012. As the law firms draw down on their retainers, Domfoam and A-Z Foam repay Valle Foam their respective proportionate share.
85. Subsequent to the Fifth Report, Domfoam and A-Z Foam have repaid Valle Foam \$51,530.34 and \$11,451.20 including HST respectively on account of the above noted professional fees from funds in the accounts of the Monitor.
86. As noted previously, Valle Foam paid certain of its remaining post-filing expenses in the ordinary course in the amount of \$67,079.53 from the legal fees that were reimbursed by Domfoam and A-Z Foam.

EXTENSION OF THE STAY PERIOD

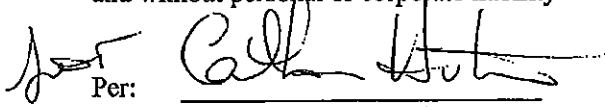
87. The Companies have asked the Court to approve an extension of the Stay Period from February 28, 2013 to July 31, 2013. The basis for this request is to allow time for resolution of the various Notices of Dispute referred to in the Sixth Report and to collect the remaining Valle Foam accounts receivable.
88. The Monitor believes that the Companies are acting in good faith and with due diligence and the Monitor therefore supports the stay extension to July 31, 2013.

MONITOR'S RECOMMENDATIONS

89. For the reasons set out above, the Monitor recommends that:
 - (a) the Stay Period be extended until July 31, 2013;
 - (b) the Sixth Report and the activities of the Monitor as described in the Sixth Report be approved; and
 - (c) the professional fees and disbursements of the Monitor, and TGF be approved and the Companies be authorized to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 12 day of December, 2013.

DELOITTE & TOUCHE INC.,
solely in its capacity as the Monitor
of the Companies (as defined herein),
and without personal or corporate liability


Per: _____

Paul M. Casey, CA•CIRP
Senior Vice-President

TAB M

Exhibit M

**Deloitte & Touche Inc., CCAA Monitor of
3113736 Canada Ltd.
(formerly Valle Foam Industries (1995) Inc.)
Statement of Receipts and Disbursements
For the period March 29, 2012 to December 9, 2013**

Receipts

Sale of assets	\$ 1,560,000.00
Accounts Receivable - Collected by Purchaser	3,699,723.31
Accounts Receivable - Collected by Applicants	55,161.61
Reimbursement of Legal Fees (net of payment of post-filing obligations)	631,451.21
Insurance Refund	51,297.00
Interest Earned	75,756.54
Class Action Settlement (net)	304,330.66
Total cash receipts	\$ <u>6,377,720.33</u>

Disbursements

CCAA Monitor's Fees	190,684.51
HST on CCAA Monitor's Fees	24,788.99
Legal Fees and Disbursements	567,465.79
HST Paid on Legal and Disbursements	67,803.65
Other Disbursements (Newspaper Notices, Bank Charges)	5,795.44
HST on Disbursements	640.47
PST Paid on D&O Premium	2,070.00
D&O Insurance premium	25,875.00
Total cash disbursements	\$ <u>885,123.85</u>

Cash on hand as at December 9, 2013	\$ <u><u>5,492,596.48</u></u>
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TAB N

Exhibit N

**Deloitte & Touche Inc., CCAA Monitors of
43262063 Canada Ltd.
(formerly Domfoam International Inc.)
Statement of Receipts and Disbursements
For the period March 29, 2012 to December 9, 2013**

Receipts

Sale of assets	\$ 4,050,879.66
Funds received from Domfoam RBC bank accounts	296,932.86
Interest earned	44,170.19
Class Action Settlement (net)	195,248.04
Total cash receipts	<u>\$ 4,587,230.75</u>

Disbursements

CCAA Monitor's Fees	190,684.48
HST on CCAA Monitor's Fees	24,788.97
Legal Fees and Disbursements	1,117,500.26
HST Paid on Legal and Disbursements	70,758.46
Other Disbursements (Newspaper Notices, bank charges)	5,787.71
HST on Disbursements	640.47
PST Paid on D&O Premium	2,070.00
D&O Insurance premium	25,875.00
Total cash disbursements	<u>\$ 1,438,105.35</u>

Cash on hand as at December 9, 2013	<u>\$ 3,149,125.40</u>
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TAB O

Exhibit O

**Deloitte & Touche Inc., CCAA Monitors of
of A-Z Sponge & Foam Products Ltd.
Statement of Receipts and Disbursements
For the period March 29, 2012 to December 9, 2013**

Receipts

Sale of assets	\$ 842,278.49
Funds received from A-Z bank account	304,564.36
Insurance Refund	8,517.80
Interest Earned	10,964.82
Class Action Settlement (net)	<u>27,821.67</u>
Total cash receipts	\$ <u>1,194,147.14</u>

Disbursements

CCAA Monitor's Fees	42,374.29
HST on CCAA Monitor's Fees	5,508.66
Legal Fees and Disbursements	254,753.20
HST Paid on Legal and Disbursements	16,353.97
Other Disbursements (Newspaper Notice, bank charges)	1,306.89
HST on Disbursements	272.50
PST Paid on D&O Premium	460.00
D&O Insurance premium	5,750.00
Post-filing claims paid	<u>20,610.40</u>
Total cash disbursements	\$ <u>347,389.91</u>

Cash on hand as at December 9, 2013	\$ <u><u>846,757.23</u></u>
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TAB P

EXHIBIT "P"

Court File No. CV-12-9545-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., AND
A-Z SPONGE & FOAM PRODUCTS LTD.

APPLICANTS

AFFIDAVIT OF CATHERINE HRISTOW
(Sworn December 12, 2013)

I, CATHERINE HRISTOW, of the Town of Richmond Hill, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Chartered Professional Accountant and Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario and am a Vice President of Deloitte Restructuring Inc. ("Deloitte"), the Court-Appointed monitor (the "Monitor") of Valle Foam Industries (1995) Inc. ("**Valle Foam**"), Domfoam International Inc. ("**Domfoam**") and A-Z Sponge & Foam Products Ltd. ("**A-Z Foam**") (collectively, the "**Applicants**" or the "**Companies**") and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" are true copies of the invoice for fees and disbursements incurred by Deloitte in the course of the CCAA administration of the Company between July 6, 2013 and December 6, 2013 (the "**Passing of Accounts Period**").

3. The total fees of the Monitor during the Passing of Accounts Period amount to \$33,410.50, together with expenses and disbursements in the amount of \$74.00 and harmonized sales tax ("HST") in the amount of \$4,352.99 totalling \$37,837.49.

4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

5. The hourly billing rates outlined in Exhibit "A" to this affidavit are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

6. The fees of the Monitor have been allocated on a percentage basis to Valle Foam, Domfoam and A-Z at 45%, 45% and 10% respectively as agreed with the Applicants.


7. Attached as Exhibit "A" to the Affidavit of Grant Moffat sworn and filed in support of the within motion are the full particulars of the fees and disbursements of Thornton Grout Finnigan LLP, counsel to the Monitor, which have been incurred during the period July 1, 2013 to November 30, 2013.

8. Thornton Grout Finnigan LLP rendered services throughout these proceedings in a manner consistent with instructions from the Monitor. The Monitor has approved all such accounts and I verily believe that the fees and disbursements of Thornton Grout Finnigan LLP are fair and reasonable in the circumstances.

9. I make this affidavit in support of a motion by the Monitor for, *inter alia*, approval of the fees and disbursements of the Monitor.

SWORN BEFORE ME
at the City of Toronto, in the
Province of Ontario this 12
day of December, 2013

)
)
)
) 
) Catherine A. Hristow)



A commissioner for taking oaths, etc.

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

EXHIBIT "A"

REFERRED TO IN THE AFFIDAVIT OF CATHERINE HRISTOW
(Sworn December 12, 2013)

This is Exhibit "A" referred to
in the Affidavit of Catherine Hristow
Sworn before me this 12th day of
December 2013
/ Commissioner, etc [Signature]

[Signature]

Commissioner

Anna Koroneos, a Commissioner, etc..
Province of Ontario
for Deloitte Restructuring Inc..
Trustee in Bankruptcy,
Expires July 10, 2016.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
4362063 Canada Ltd. (formerly Domfoam International Inc.)

A-Z Sponge & Foam Products Ltd.

c/o Deloitte Restructuring Inc.

181 Bay Street, Suite 1400

Toronto, ON M5J 2V1

Date: September 17, 2013
Invoice No: 3407888
Client/Mandate No: 921001/1000001
Partner: Paul Casey

HST Registration No: 122893605

Attention: Mr. Paul Casey

For professional services rendered in connection with Deloitte Restructuring Inc., acting as Court-Appointed Companies' Creditors Arrangement Act (R.S.C., 1985, c. C-36) ("CCAA") Monitor of Valle Foam Industries (1995) Inc. ("Valle Foam") Domfoam International Inc. ("Domfoam") and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period July 6, 2013 to August 31, 2013.

Date	Professional	Description
7/8/2013	Brown, Rose	Purchase bank draft at the bank and record same in Ascend.
7/8/2013	Hristow, Catherine	Review draft Seventh Report of the Monitor; correspondence with D. Ullmann regarding Urethane Settlement.
7/9/2013	Hristow, Catherine	Correspondence with C. Naudie; review claims spreadsheet for Valle Foam and compare same to Ascend; update Ascend and send claims information to B. Robb for use by the Canada Revenue Agency ("CRA") auditor; email correspondence to B. Uysal of the Ministry of Revenue; correspondence with D. Ullmann regarding late filed claim by WSIB; correspondence with G. Moffat; prepare and send schedule to R. Brown for cheques for Osler, Hoskin & Harcourt LLP ("Oslers").
7/10/2013	Brown, Rose	Prepare bank transfers and cheques; complete reconciliation of bank accounts to general ledger.
7/10/2013	Koroneos, Anna	Discussion with C. Hristow on email regarding claims schedule and prepare admitted and non-admitted schedules.
7/10/2013	Hristow, Catherine	Review commentary on Polyols and various email correspondence regarding same; correspondence with B. Robb; correspondence with D. McNeill; review late filed claims; discussion with A. Koroneos; review draft affidavit; email correspondence with G. Moffat regarding documents in the e-room; review revised Seventh Report of the Monitor.
7/11/2013	Casey, Paul	Review Notice of Motion and draft Seventh Report of Monitor.
7/11/2013	Hristow, Catherine	Reviewing and revising the Seventh Report of the Monitor; discussions with G. Moffat; discussion with D. Ullmann; finalizing statements of receipts and disbursements ("R&D") and advise D. Ullmann of same; discussion with P. Casey; provide draft report for review to P. Casey and S. Mingie.
7/12/2013	Casey, Paul	Review R&D statements and reference to the Seventh Report of the Monitor; final review and execute Monitor's Report for Service.

Valle Foam Industries (1995) Inc.
Domfoam International Inc.
A-Z Sponge & Foam Ltd.
c/o Deloitte Restructuring Inc.
September 17, 2013
Page 2

Date	Professional	Description
7/12/2013	Hristow, Catherine	Revise and finalize Seventh Report of the Monitor; complete affidavit of fees and meet with Annette Fournier; telephone attendance with S. Nassabi; send letter to C. Naudie of Oslers.
7/16/2013	Hristow, Catherine	Discussion with G. Moffat; review Revenu Quebec correspondences and claim and send same to G. Moffat; correspondence with R. Brown regarding the website.
7/17/2013	Brown, Rose	Update the Monitor's website.
7/19/2013	Brown, Rose	Prepare disbursement cheques and record same in Ascend.
7/22/2013	Brown, Rose	Renewal of investments and record same in Acend.
7/25/2013	Brown, Rose	Review legal payment to Osler and report to C. Hristow by email.
7/31/2013	Casey, Paul	Emails to C. Hristow regarding Class Action Certification.
8/8/2013	Brown, Rose	Discussion with C. Hristow.
8/8/2013	Hristow, Catherine	Review bank reconciliations; discussion with R. Brown.
8/9/2013	Hristow, Catherine	Review correspondence; telephone attendances with S. Nassabi regarding proposed settlements.
8/12/2013	Hristow, Catherine	Correspondence with R. Brown regarding bank accounts; correspondence with S. Nassabi.
8/13/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing and legal schedule; discussion with C. Hristow.
8/13/2013	Hristow, Catherine	Discussion with R. Brown regarding schedule for legal fees; revise investments; review legal invoices for approval and payment, including a detailed review of the supporting documentation, and sign cheques.
8/14/2013	Hristow, Catherine	Correspondence with G. Ross.
8/15/2013	Hristow, Catherine	Telephone attendance with G. Moffat; email correspondence with D. Ullmann.
8/16/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing
8/17/2013	Hristow, Catherine	Review email correspondence from R. Mogergerman; correspondence with G. Moffat.
8/20/2013	Hristow, Catherine	Attendance at a meeting with R. Slattery, G. Moffat, C. Naudie, R. Mogergerman and W. Branch at the offices of Minden Gross.
8/21/2013	Hristow, Catherine	Review and revise potential dividend schedule and send to G. Moffat and R. Slattery; review correspondence.
8/23/2013	Hristow, Catherine	Review late filed claims; revise potential dividend payout and send same to G. Moffat; review draft correspondence to be sent to Revenu Quebec.
8/26/2013	Hristow, Catherine	Review offer from Class Action Claimants; discussion with G. Moffat; email correspondence to G. Moffat regarding Dow Chemical Settlement and Revenu Quebec.
8/28/2013	Hristow, Catherine	Correspondence with S. Nassabi; correspondence with M. Getzler.
8/29/2013	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing
8/29/2013	Hristow, Catherine	Telephone discussion with W. Li of CRA regarding CRA audit of Valle Foam; send POC form and other documentation to W. Li; review Valle

Valle Foam Industries (1995) Inc.
Domfoam International Inc.
A-Z Sponge & Foam Ltd.
c/o Deloitte Restructuring Inc.
September 17, 2013
Page 3

Date	Professional	Description
		Foam initial creditor listing; correspondence with G. Moffat and R. Slattery; correspondence with G. Moffat regarding CRA POC for A-Z.
8/30/2013	Hristow, Catherine	Email correspondence with G. Moffat.

Valle Foam Industries (1995) Inc.
Domfoam International Inc.
A-Z Sponge & Foam Ltd.
c/o Deloitte Restructuring Inc.
September 17, 2013
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Summary of Fees

Professional	Position	Hours	Rate	Fees
Casey, Paul	Partner	3.1	\$ 650.00	\$ 2,015.00
Hristow, Catherine	Senior Manager	30.6	\$ 500.00	15,300.00
Koroneos, Anna	Manager	0.8	\$ 425.00	340.00
Brown, Rose	Trust Administrator	<u>8.7</u>	\$ 160.00	<u>1,392.00</u>
Total hours and professional fees		<u>43.2</u>		\$ 19,047.00
Blended hourly rate			\$ 440.90	
Disbursements				20.00
Total Fees and Disbursements				\$ 19,067.00
HST @ 13%				2,478.71
Total Amount Due				\$ 21,545.71

Allocation of fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	\$ 8,571.15	\$ 9.00	\$ 1,115.42	\$ 9,695.57
Domfoam International Inc. (45%)	\$ 8,571.15	\$ 9.00	\$ 1,115.42	\$ 9,695.57
A-Z Sponge & Foam Products (10%)	\$ 1,904.70	\$ 2.00	\$ 247.87	\$ 2,154.57
Totals	\$ 19,047.00	\$20.00	\$ 2,478.71	\$21,545.71

Payable upon receipt to: Deloitte Restructuring Inc.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
4362063 Canada Ltd. (formerly Domfoam International Inc.)
A-Z Sponge & Foam Products Ltd.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

Date: December 11, 2013
Invoice No: 3457401
Client/Mandate No: 921001/1000001
Partner: Paul Casey

Attention: Mr. Paul Casey

HST Registration No: 122893605

For professional services rendered in connection with Deloitte Restructuring Inc., acting as Court-Appointed Companies' Creditors Arrangement Act (R.S.C., 1985, c. C-36) ("CCAA") Monitor of Valle Foam Industries (1995) Inc. ("Valle Foam") Domfoam International Inc. ("Domfoam") and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period September 1, 2013 to December 6, 2013.

Date	Professional	Description
9/3/2013	Brown, Rose	Update name on accounts and cheque template for Vallefoam and Domfoam; prepare deposit and take same to the bank; update deposit information into Ascend.
9/3/2013	Casey, Paul	Telephone attendance with G. Moffat of Thornton Grout Finnigan ("TGF").
9/3/2013	Hristow, Catherine	Review and approve legal invoices for payment; review and approve accounts receivable settlement; correspondence with Minden Gross LLP.
9/4/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
9/4/2013	Hristow, Catherine	Review, approve and sign bank reconciliation.
9/5/2013	Hristow, Catherine	Review CRA assessment for Valle Foam; review legal invoices for approval and payment, including a detailed review of the supporting documentation, and sign cheques.
9/6/2013	Hristow, Catherine	Telephone attendance with representative of Yellow Pages and advise them of the stay of proceedings and the CCAA process; telephone attendance with G. Moffat regarding class action claimants; correspondence with R. Slattery and G. Moffat regarding Canada Revenue Agency ("CRA") assessment for Valle Foam.
9/10/2013	Hristow, Catherine	Review correspondence from Revenu Quebec.
9/12/2013	Brown, Rose	Deposit cheques and record same in Ascend.
9/16/2013	Brown, Rose	Deposit cheques and record in Ascend.
9/18/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
9/18/2013	Hristow, Catherine	Review correspondence from G. Moffat.
9/19/2013	Hristow, Catherine	Review email correspondence from G. Moffat; review Monitor's Seventh Report and statements of receipts and disbursements and telephone

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
 4362063 Canada Ltd. (formerly Domfoam International Inc.)
 A-Z Sponge & Foam Products Ltd.
 c/o Deloitte Restructuring Inc.
 December 11, 2013
 Page 2

Date	Professional	Description
		discussion with G. Moffat regarding question from the class action claimants.
9/23/2013	Brown, Rose	Investment renewal.
9/24/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
9/24/2013	Damiani, Stefano	Compile cash reporting information required for CRA purposes, and email same to C. Hristow.
9/24/2013	Hristow, Catherine	Review correspondence from Berkow Cohen.
9/26/2013	Hristow, Catherine	Telephone attendance with G. Moffat; correspondence with B. Robb.
9/30/2013	Brown, Rose	Deposit cheques and record same in Ascend.
10/7/2013	Brown, Rose	Obtain online banking print out of account to confirm deposit cleared the bank; prepare and send request for US dollar draft purchase for disbursement on estate.
10/7/2013	Hristow, Catherine	Review correspondence regarding Domfoam HST.
10/8/2013	Brown, Rose	Pick up US dollar draft from bank and mail same.
10/8/2013	Hristow, Catherine	Review various CRA claims; correspondences with D. Ullmann regarding CRA claims against Valle, A-Z and Domfoam.
10/9/2013	Brown, Rose	Prepare transfer between accounts for allocation of legal fees and record same into Ascend.
10/9/2013	Hristow, Catherine	Correspondence with G. Shakirof of Berkow Cohen.
10/10/2013	Hristow, Catherine	Telephone attendance with G. Moffat regarding class action claims and Revenu Quebec; review correspondence from C. Naudie; review notice of motion and affidavits regarding class action certification; correspondence with S. Nassabi.
10/11/2013	Brown, Rose	Deposit cheques and record same into Ascend.
10/11/2013	Hristow, Catherine	Review correspondence from D. Ullmann and subsequent telephone conversation regarding same; email correspondence to G. Moffat.
10/15/2013	Brown, Rose	Deposit cheques and record same in Ascend; ongoing trust account banking administration, and disbursement processing.
10/15/2013	Hristow, Catherine	Revise draft distribution schedule; correspondence with legal counsel; correspondence with S. Nassab.
10/16/2013	Hristow, Catherine	Review letter from Osler, Hoskin & Harcourt LLP ("Osler"); attendance on a conference call with R. Slattery, G. Moffat, C. Naudie and A. Reid; revise potential distribution; attendance at a meeting at Minden Gross LLP with R. Slattery, G. Moffat, C. Naudie, R. Mogerman, and W. Branch; review supplier invoices for approval and payment, including a detailed review of the supporting documentation, and sign cheques.
10/18/2013	Hristow, Catherine	Status update meeting with P. Casey.
10/18/2013	Casey, Paul	Meeting with C. Hristow regarding status update. .
10/21/2013	Brown, Rose	Prepare schedule for payment of legal fees.
10/22/2013	Hristow, Catherine	Telephone attendance with CRA regarding submission of Proof of Claim ("POC").
10/23/2013	Hristow, Catherine	Attendance at a meeting at Minden Gross with D. Ullmann regarding

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
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 A-Z Sponge & Foam Products Ltd.
 c/o Deloitte Restructuring Inc.
 December 11, 2013
 Page 3

Date	Professional	Description
		various Domfoam tax matters.
10/24/2013	Hristow, Catherine	Review legal accounts; review correspondence regarding Quebec class action approval motion.
10/25/2013	Hristow, Catherine	Correspondence with C. Naudie.
10/28/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
10/31/2013	Brown, Rose	Deposit cheques and record same in Ascend.
11/1/2013	Hristow, Catherine	Review legal accounts for payment; discussion with S. Nassabi.
11/5/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
11/8/2013	Brown, Rose	Deposit cheques and record same in Ascend.
11/8/2013	Hristow, Catherine	Review and approve legal invoices.
11/8/2013	Koroneos, Anna	Review of voicemail and email and forward to C. Hristow.
11/12/2013	Hristow, Catherine	Discussion with representative of Co-Face; telephone attendance with O. Brown of IFS regarding POC and email POC form.
11/13/2013	Hristow, Catherine	Correspondences with O. Brown of IFS.
11/21/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
11/25/2013	Brown, Rose	Discussion with C. Hristow regarding investment renewals; telephone attendance with bank and renew investments, and record same in Ascend.
11/25/2013	Hristow, Catherine	Discussion with R. Brown regarding investments.
11/28/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
11/28/2013	Hristow, Catherine	Review initial order and CRA claims; voicemail message for C. Stanley of CRA; review files; attendance at a meeting at Minden Gross; review legal invoices for approval and payment, including a detailed review of the supporting documentation, and sign cheques.
11/29/2013	Hristow, Catherine	Review and respond to email from S. Nassabi.
12/2/2013	Hristow, Catherine	Review correspondences, and motions regarding class action lawsuits.
12/3/2013	Hristow, Catherine	Discussion with G. Moffat; correspondence with D. Ullmann.
12/4/2013	Brown, Rose	Ongoing trust account banking administration, and disbursement processing.
12/4/2013	Hristow, Catherine	Review and approve bank reconciliations.
12/6/2013	Casey, Paul	Telephone attendance with G. Moffat regarding late filed claims and upcoming extension motion.

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
 4362063 Canada Ltd. (formerly Domfoam International Inc.)
 A-Z Sponge & Foam Products Ltd.
 c/o Deloitte Restructuring Inc.
 December 11, 2013
 Page 4

Summary of Fees

Professional	Position	Hours	Rate	Fees
Casey, Paul	Partner	1.2	\$650.00	\$ 780.00
Hristow, Catherine	Senior Manager	20.1	\$570.00	11,457.00
Koroneos, Anna	Manager	0.2	\$425.00	85.00
Damiani, Stefano	Manager	0.7	\$425.00	297.50
Brown, Rose	Trust Administrator	10.9	\$160.00	1,744.00
Total hours and professional fees		<u><u>33.1</u></u>		\$14,363.50
Blended hourly rate			\$433.94	
Disbursements				54.00
Total Fees and Disbursements				\$14,417.50
HST @ 13%				1,874.28
Total Amount Due				\$16,291.78

Allocation of fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	\$6,463.57	\$24.30	\$ 843.42	\$ 7,331.29
Domfoam International Inc. (45%)	6,463.58	24.30	843.43	7,331.31
A-Z Sponge & Foam Products (10%)	1,436.35	5.40	187.43	1,629.18
Totals	\$14,363.50	\$54.00	\$1,874.28	\$16,291.78

Payable upon receipt to: Deloitte Restructuring Inc.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VALLE FOAM INDUSTRIES (1995)
INC., DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

AFFIDAVIT OF CATHERINE HRISTOW
(Sworn December 12, 2013)

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 32380L)
Tel: 416-304-0599
Fax: 416-304-1313
Email: gmoffat@tgf.ca

Lawyers for the Monitor

TAB Q

EXHIBIT "Q"

Court File No. CV-12-9545-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and
A-Z SPONGE & FOAM PRODUCTS LTD.

APPLICANTS

AFFIDAVIT OF GRANT MOFFAT
(Sworn December 12, 2013)

I, GRANT MOFFAT, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and am a partner with Thornton Grout Finnigan LLP ("TGF"), lawyers for Deloitte Restructuring Inc. in its capacity as monitor (the "Monitor") of the property, assets and undertakings of Valle Foam Industries (1995) Inc., Domfoam International Inc. and A-Z Sponge & Foam Products Ltd. and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Monitor by TGF for fees and disbursements incurred by TGF in the course of the within proceeding for the period July 1, 2013 to November 30, 2013.

3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

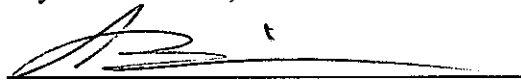
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Monitor.

5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

7. I make this affidavit in support of a motion by the Monitor for, *inter alia*, approval of the fees and disbursements of the Monitor's counsel.


SWORN BEFORE ME
at the City of Toronto, in the
Province of Ontario this 12th
day of December, 2013.



A commissioner for taking oaths, etc.

Annette Melinda Fournier, a Commissioner, etc.,
City of Toronto, for ThorntonGroutFinnigan LLP,
Barristers and Solicitors.
Expires November 8, 2013.

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)
)
)



Grant B. Moffat

EXHIBIT "A"

Court File No. CV-12-9545-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36,
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736
CANADA LTD., 4362063 CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

EIGHTEENTH BILL OF COSTS OF THE MONITOR

For the period ending July 31, 2013

Jul-02-13	Correspondence with US class counsel regarding withdrawing from file;	0.20	GBM
Jul-03-13	Review correspondence from C. Naudie regarding certification motion; review correspondence regarding fees to date;	0.20	GBM
Jul-04-13	Review correspondence from Oslers regarding responding to class proof of claim; correspondence with C. Hristow regarding same; review revised notice to class members regarding ratification; correspondence with C. Naudie;	0.70	GBM
Jul-05-13	Draft Seventh Report;	2.90	GBM
Jul-08-13	Revise Seventh Report; review correspondence regarding escrow agreement; review settlement agreement regarding same;	2.40	GBM
Jul-09-13	Telephone call with C. Hristow regarding Seventh Report; telephone call with R. Slattery; telephone call with R. Tanner; telephone call with J. Berkow; telephone call with R. Moyerman; review settlement agreement regarding urethane funds; review correspondence from J. Berkow and accounts rendered to date;	2.30	GBM
	Review correspondence from D. Ullman regarding entitlement to Urethane funds; telephone call with C. Hristow regarding same; review sale agreement regarding same; correspondence with D. Ullman regarding same;	1.30	GBM
Jul-10-13	Telephone call with C. Hristow regarding Seventh Report; revise same; review prior Vallecoccia affidavits; telephone call with R. Mogerman;	4.60	GBM
	Review draft Vallecoccia affidavit;	0.50	GBM

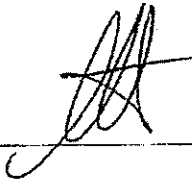
	Prepare fee Affidavit of G. Moffat and exhibits thereto;	1.00	AF
Jul-11-13	Review correspondence from D. Ullman; telephone call with D. Ullman regarding Seventh Report; review Report regarding class claim;	0.40	GBM
	Review correspondence from R. Mogerman; correspondence with R. Mogerman regarding Urethane proceeds; review Report regarding same;	0.30	GBM
	Telephone call with C. Hristow; review correspondence regarding Valle Foam loan; revise Report;	1.90	GBM
	Meeting with S. Reid regarding HST claim and priority of payment; review case law regarding same;	0.60	GBM
	Finalize fee affidavit and exhibits to include June account and forward same to C. Hristow;	0.30	AF
	Research regarding priority of HST claim;	3.70	SIR
Jul-12-13	Review revised report; revise same; correspondence with C. Hristow; telephone call with C. Hristow;	0.90	GBM
	Attend at Deloitte to commission affidavit of C. Hristow; finalize 7th Report and compile all exhibits thereto; compile complete Report for service; e-mail to Service List; update Service List and prepare Affidavit of Service;	1.80	AF
Jul-15-13	Review Revenu Quebec claim and submissions regarding disallowance; review Initial Order regarding payment of same; review case law regarding same; consider impact of bankruptcy on HST claim; telephone call with C. Hristow;	1.40	GBM
	Compile Seventh Report for filing; memo to court agent; compile Motion Record of the Applicants;	0.70	AF
Jul-16-13	Review correspondence regarding CRA and Revenu Quebec claim; telephone call with C. Hristow; review Sixth Report regarding disclaimer revisions; telephone call with C. Hristow regarding retention of Urethane settlement funds;	1.30	GBM
	Review Motion Record and Order;	0.40	GBM
Jul-17-13	Review Seventh Report; attend stay extension motion before Brown, J.; correspondence regarding meeting with class counsel; review correspondence regarding same;	1.60	GBM
Jul-18-13	Correspondence regarding meeting with class counsel; review report regarding same; correspondence with R. Mogerman;	0.50	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	24.40	\$700.00	17,080.00
Annette Fournier (Law Clerk)	3.80	\$250.00	950.00
Sandra Reid	3.70	\$300.00	1,110.00

TOTAL FEE HEREIN	\$19,140.00	
HST on Fees	<u>\$2,488.20</u>	
Total Fees and HST		\$21,628.20
<u>Disbursements:</u>		
Computer Research	\$56.36	
Photocopies	\$64.00	
Telephone	<u>\$8.32</u>	
Total Taxable Disbursements	\$128.68	
HST on Disbursements	\$16.73	
Total Disbursements and HST		<u>\$145.41</u>
Total Fees, Disbursements & HST		\$21,773.61
OUR ACCOUNT HEREIN		<u>\$21,773.61</u>

ThorntonGroutFinnigan LLP

Per:


Grant B. Moffat

HST No. 87042 1039RT
 Matter No. 533-029
 Invoice No. 27228
 Date: Aug 19/13

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

EIGHTEENTH BILL OF COSTS OF THE MONITOR

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P. O. Box 329
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 32380L)
Tel: 416-304-0599
Fax: 416-304-1313
Email: gmoffat@tgf.ca

Lawyers for the Monitor

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

NINETEENTH BILL OF COSTS OF THE MONITOR

For the period ending August 31, 2013

Aug-12-13	Review correspondence regarding protective orders in US class proceedings; review order; review orders issued partially approving settlement in B.C., Ontario and Quebec;	1.20	GBM
Aug-13-13	Review correspondence regarding class claim; telephone call with R. Slattery; telephone call with B. Love regarding protective order being sought in US class action proceeding; correspondence to C. Naudie; telephone call to C. Hristow regarding class claim;	1.00	GBM
Aug-14-13	Review correspondence regarding opt-out notice; review orders regarding same; review opt-out notice; correspondence with C. Naudie;	0.70	GBM
Aug-15-13	Review Oslers memo regarding price increases; consider impact on class claim; telephone call with C. Hristow;	2.80	GBM
	Review correspondence regarding Revenu Quebec; review proof of claim;	0.20	GBM
Aug-16-13	Conference call with R. Slattery, C. Hristow and C. Naudie regarding valuation of class claim; 2 x telephone calls with C. Hristow regarding distribution and impact of class claim; review report regarding same; review memo regarding class claim;	2.10	GBM
	Telephone call with US counsel regarding protective order;	0.20	GBM
	Review draft distribution analysis; review statement of admissions regarding value of commerce; consider joint and several liability of VF & DF; review application record regarding same; telephone call with C. Hristow regarding same;	1.90	GBM
	Telephone call with J. Facchin; correspondence to C. Hristow regarding opt-out acknowledgement; review revised form;	0.50	GBM
	Telephone call with J. Facchin; review further revisions to notice;	0.20	GBM

Aug-19-13	Review correspondence from R. Mogerma; correspondence to C. Hristow; correspondence to R. Mogerma; review caselaw regarding constructive trust claim; telephone call with R. Slattery;	1.80	GBM
Aug-20-13	Review pro forma distribution schedule; review Allen affidavit and notes regarding response from companies; meeting with class counsel;	2.40	GBM
Aug-21-13	Review revised distribution schedule; review Sixth Report regarding repayment of VF loan and late filed claims; consider Revenu Quebec claim; correspondence with C. Hristow regarding amendments to schedule; consider set-off for funds to be received under settlement agreement; review caselaw regarding same;	1.70	GBM
	Review class plaintiff report; consider apportionment of liability;	0.70	GBM
Aug-22-13	Meeting with L. Nicholson regarding class proof of claim; review distribution schedule; review response to class proof of claim;	1.20	GBM
	Review caselaw regarding constructive trust;	0.80	GBM
	Reviewing the Seventh Monitor's Report, plaintiff class action claim for overcharge, responding record of the applicants relating to the damages claim of the Canadian class action;	3.00	LN
Aug-23-13	Meeting with L. Nicholson regarding class proof of claim; review revised distribution schedule; correspondence to C. Hristow;	0.60	GBM
	Research regarding set-off and liability of cartel members under the <i>Competition Act</i> ;	3.70	LN
Aug-26-13	Review correspondence from W. Branch; consider joint liability issue; review Oslers report; meeting with L. Nicholson regarding same;	1.30	GBM
	Telephone call with C. Hristow regarding class response and Revenu Quebec claim; review correspondence from Revenu Quebec claiming priority; review Initial Order regarding same; review notice regarding urethane litigation with Dow; review Revenu Quebec assessment and draft appeal;	2.40	GBM
	Researching joint and several liability of cartel members;	1.40	LN
Aug-27-13	Review settlement agreement regarding joint liability issue; review distribution analysis; correspondence with C. Naudie; telephone call with R. Slattery regarding response from W. Branch; review revised correspondence to Revenu Quebec;	1.50	GBM
	Draft memo regarding valuation of price-fixing claim;	2.30	LN
Aug-28-13	Review invoices and ETA regarding Revenu Quebec assessment; review correspondence from D. Ullman; correspondence with C. Hristow regarding same; review Tanner invoice; review correspondence to Tanner regarding same; correspondence with C. Hristow;	1.20	GBM
Aug-29-13	Review correspondence regarding CRA audit; review assessment; review correspondence from C. Hristow regarding same; review correspondence from W. Branch; review caselaw regarding joint and several liability;	1.40	GBM

	Telephone call with J. Ehrman regarding protective order requested in US proceeding;	0.40	GBM
Aug-30-13	Review CRA and Revenu Quebec assessments and proofs of claim; review brief from US class counsel regarding lifting protective order; telephone call with R. Slattery regarding same; correspondence with C. Naudie; review correspondence from W. Branch;	1.50	GBM
	Drafting memo on liability of cartel members; research constructive trusts;	5.50	LN

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	29.70	\$700.00	20,790.00	
Lee Nicholson (Student)	15.90	\$225.00	3,577.50	
TOTAL FEE HEREIN			\$24,367.50	
HST on Fees			\$3,167.78	
Total Fees and HST				\$27,535.28

Disbursements:

Computer Research	\$75.15
Photocopies	\$36.25
Telephone	\$51.36
Filed Seventh Report of the Monitor and Affidavit of Service	\$30.00

Total Taxable Disbursements	\$192.76
HST on Disbursements	\$25.06


Total Non-Taxable Disbursements	<u>\$0.00</u>
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Total Disbursements and HST	<u>\$217.82</u>
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Total Fees, Disbursements & HST	\$27,753.10
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OUR ACCOUNT HEREIN	<u>\$27,753.10</u>
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ThorntonGroutFinnigan LLP

Per: 

Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-029
 Invoice No. 27312
 Date: Sep 16/13

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

NINETEENTH BILL OF COSTS OF THE MONITOR

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Grant B. Moffat (LSUC# 32380L)
Tel: 416-304-0599
Fax: 416-304-1313
Email: gmoffat@tgf.ca

Lawyers for the Monitor

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

TWENTIETH BILL OF COSTS OF THE MONITOR

For the period ending September 30, 2013

Sep-03-13	Telephone call with P. Casey regarding valuation of class proof of claim; review correspondence regarding US protective order; review correspondence from W. Branch;	1.00	GBM
Sep-05-13	Correspondence with R. Mogerman; review W. Branch letter;	0.20	GBM
Sep-06-13	Telephone call with C. Hristow; correspondence with C. Naudie; review correspondence from class plaintiffs' counsel;	0.40	GBM
Sep-11-13	Review correspondence regarding audit; correspondence from C. Hristow; correspondence from C. Naudie;	0.40	GBM
Sep-12-13	Review correspondence from Revenue Quebec;	0.20	GBM
	Review memo regarding CRA claim; telephone call with R. Slattery;	0.50	GBM
Sep-13-13	Telephone call with R. Mogerman; correspondence with R. Slattery and C. Naudie regarding meeting;	0.20	GBM
	Consider response to class brief;	0.50	GBM
Sep-16-13	Telephone call with R. Slattery; correspondence with C. Hristow; correspondence with C. Naudie;	0.40	GBM
Sep-17-13	Correspondence with C. Naudie; correspondence with R. Mogerman;	0.20	GBM
Sep-19-13	Review correspondence from J. Fracchin regarding urethane funds; telephone call with C. Hristow; correspondence from J. Fracchin;	0.40	GBM

Sep-23-13	Review correspondence from CRA regarding disallowance of ITC's; review Initial Order;	0.40	GBM
Sep-24-13	Review materials addressing valuation of class proof of claim; summarize issues for next court date;	1.40	GBM
Sep-25-13	Telephone call with C. Naudie; review class proof of claim materials and responses from Oslers; telephone call with R. Mogerman;	2.30	GBM
Sep-26-13	Review correspondence regarding CRA audit; telephone call with C. Hristow; draft report regarding claims process and valuation issues; telephone call with R. Slattery;	3.80	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	12.30	\$700.00	8,610.00	
TOTAL FEE HEREIN			\$8,610.00	
HST on Fees			\$1,119.30	
Total Fees and HST				\$9,729.30
<u>Disbursements:</u>				
Facsimiles			\$0.50	
Telephone			\$2.64	
Total Taxable Disbursements			\$3.14	
HST on Disbursements			\$0.41	
Total Non-Taxable Disbursements			\$0.00	
Total Disbursements and HST				\$3.55
Total Fees, Disbursements & HST				\$9,732.85
OUR ACCOUNT HEREIN				\$9,732.85

ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 27416
Date: Oct 09/13

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

TWENTIETH BILL OF COSTS OF THE MONITOR

Thornton Grout Finnigan LLP
Barristers and Solicitors
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Grant B. Moffat (LSUC# 32380L)
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Lawyers for the Monitor

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

TWENTY-FIRST BILL OF COSTS OF THE MONITOR

For the period ending October 31, 2013

Oct-01-13	Correspondence with R. Mogerma; review correspondence regarding meeting with class counsel;	0.20	GBM
Oct-09-13	Review substantive consolidation caselaw regarding joint and several claims of class;	1.00	GBM
Oct-10-13	Correspondence with C. Naudie and W. Branch; telephone call with C. Hristow; review CRA correspondence;	0.80	GBM
	Review correspondence with C. Naudie and draft settlement approval order; revise same; correspondence to class counsel with revisions to same; review correspondence regarding assignment of urethane funds;	1.00	GBM
	Review draft notice of application, affidavit, draft B.C. and Québec orders and notice of motion in support of settlement approval; correspondence with J. Facchin regarding revisions to same;	1.40	GBM
	Review distribution schedule;	0.40	GBM
	Telephone call with C. Naudie; review correspondence from W. Branch;	0.40	GBM
Oct-11-13	Review issues summary for class claim; review final settlement approval application materials; correspondence with class counsel;	1.70	GBM
Oct-15-13	Telephone call with C. Hristow; review distribution schedule;	0.50	GBM
	Review overdraft charge submission and responses from company counsel in preparation for meeting with class counsel; review distribution calculation;	1.80	GBM
Oct-16-13	Review correspondence from C. Naudie regarding value of class proof of claim; conference call with company counsel and C. Hristow; telephone call with C. Hristow; telephone call with C. Naudie;	2.10	GBM

	Review distribution matrix; review list of issues with class proof of claim;	0.60	GBM
	Meeting with class counsel and company counsel; review correspondence from C. Naudie;	2.00	GBM
Oct-18-13	Review caselaw regarding venue for determination of Revenue Quebec claim and review provisions of taxing statutes imposing liability on Monitor on distribution of property;	1.80	GBM
Oct-21-13	Review motion materials from escrow agent; review correspondence regarding settlement approval;	0.50	GBM
	Review caselaw regarding venue for determination of Crown claim; review correspondence from C. Naudie regarding opposition to settlement approval;	1.30	GBM
Oct-22-13	Review correspondence regarding settlement approval; correspondence with C. Naudie regarding same; review settlement approval motion materials; review settlement agreement regarding ongoing cooperation;	1.80	GBM
	Review correspondence regarding CRA claim;	0.20	GBM
	Review Quebec settlement approval order; review settlement agreement;	0.50	GBM
Oct-23-13	Telephone call with solicitor for Competition Bureau; review status of Revenue Quebec claim; telephone call with C. Hristow regarding Competition Bureau claim;	0.90	GBM
	Review Motion Record regarding Quebec approval of settlement;	1.30	GBM
	Telephone call with C. Naudie regarding settlement approval motion;	0.20	GBM
Oct-24-13	Review correspondence with non-settling defendants; telephone call with R. Slattery;	0.40	GBM
	Correspondence from and to Quebec counsel regarding consents required for settlement approval; correspondence with C. Naudie regarding same; review Quebec Motion Record regarding same;	1.30	GBM
Oct-25-13	Review correspondence regarding Quebec settlement approval;	0.20	GBM
Oct-29-13	Review correspondence from C. Naudie; review issued settlement orders;	0.30	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	24.60	\$700.00	17,220.00
TOTAL FEE HEREIN			\$17,220.00
HST on Fees			<u>\$2,238.60</u>
Total Fees and HST			\$19,458.60

Disbursements:

Photocopies	\$2.00
Telephone	\$25.60

Total Taxable Disbursements	\$27.60
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HST on Disbursements	\$3.59
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Total Non-Taxable Disbursements	<u>\$0.00</u>
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Total Disbursements and HST	<u>\$31.19</u>
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Total Fees, Disbursements & HST	\$19,489.79
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OUR ACCOUNT HEREIN	<u>\$19,489.79</u>
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ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT

Matter No.	533-029
Invoice No.	27576
Date:	Nov 20/13

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

TWENTY-FIRST BILL OF COSTS OF THE MONITOR

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
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Lawyers for the Monitor

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063 CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

TWENTY-SECOND BILL OF COSTS OF THE MONITOR

For the period ending November 30, 2013

Nov-01-13	Review correspondence regarding document disclosure; review Sixth Report;	0.40	GBM
Nov-05-13	Review correspondence regarding settlement approval; review draft report regarding same; correspondence with R. Slattery and C. Naudie regarding same;	0.40	GBM
Nov-08-13	Correspondence with R. Mogerman; review correspondence regarding settlement;	0.20	GBM
Nov-11-13	Review caselaw regarding venue for appeal of assessment; consider impact of bar claims order;	0.80	GBM
Nov-19-13	Telephone call with W. Branch;	0.20	GBM
Nov-21-13	Review draft settlement letter to class counsel; correspondence with C. Naudie regarding same; review settlement meeting notes;	0.40	GBM
	Review status of Revenu Quebec claim;	0.20	GBM
	Review draft correspondence to class counsel; correspondence with C. Naudie regarding revisions to same;	0.30	GBM
Nov-22-13	Review settlement agreement with class counsel;	0.20	GBM
Nov-26-13	Review CRA proof of claim; review Seventh Report regarding same;	0.40	GBM
Nov-28-13	Review correspondence from CRA and Revenu Quebec; review revised Sixth Report; attend meeting with D. Ullman and C. Hristow regarding Revenue Quebec and CRA claims; review Initial Order; correspondence to Justice Newbould regarding revisions to Sixth Report; review same; review correspondence from C. Naudie regarding status of settlement approval; review priority of HST payment;	3.90	GBM
	Telephone call to court regarding e-mailing revised report to Justice Newbould; prepare letter to Justice Newbould; revise letter and send with enclosures to Justice Newbould's office;	0.60	AF

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	7.40	\$700.00	5,180.00	
Annette Fournier (Law Clerk)	0.60	\$250.00	150.00	
TOTAL FEE HEREIN			\$5,330.00	
HST on Fees			<u>\$692.90</u>	
Total Fees and HST				\$6,022.90
OUR ACCOUNT HEREIN				<u>\$6,022.90</u>

Thornton Grout Finnigan LLP



Per: _____

Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-029
 Invoice No. 27642
 Date: Dec 11/13

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**TWENTY-SECOND BILL OF COSTS OF THE
MONITOR**

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Toronto, Ontario
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Grant B. Moffat (LSUC# 32380L)
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Lawyers for the Monitor

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
Thornton Grout Finnigan LLP
for the period July 1, 2013 to November 30, 2013

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
27228	\$ 19,140.00	\$ 128.68	\$ 2,504.93	31.9	\$600.00	\$ 21,773.61
27312	24,367.50	192.76	3,192.84	45.6	534.38	27,753.10
27416	8,610.00	3.14	1,119.71	12.3	700.00	9,732.85
27576	17,220.00	27.60	2,242.19	24.6	700.00	19,489.79
27642	5,330.00	0.00	692.90	8.0	666.25	6,022.90
TOTALS:	\$74,667.50	\$ 352.18	\$9,752.57			<u>\$84,772.25</u>

EXHIBIT "C"

Billing Rates of Thornton Grout Finnigan LLP

For the period July 1, 2013 to November 30, 2013

	<u>Rate</u>	<u>Year of Call</u>
Grant B. Moffat	\$700	1991
Sandra Reid	\$300	2012
Annette Fournier	\$250	Law Clerk
Lee Nicholson	\$225	Student-at-Law

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VALLE FOAM INDUSTRIES (1995)
INC., DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

AFFIDAVIT OF GRANT B. MOFFAT
(Sworn December 12, 2013)

Thornton Grout Finnigan LLP
Barristers and Solicitors
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M5K 1K7

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Lawyers for the Monitor

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 3113736 CANADA LTD., 4362063
CANADA LTD., and A-Z FOAM SPONGE & FOAM PRODUCTS LTD.

Court File No.: CV-12-9545-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**EIGHTH REPORT OF THE MONITOR
DATED DECEMBER 13, 2013**

Thornton Grout Finnigan LLP
Barristers and Solicitors
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100 Wellington Street West
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Lawyers for the Monitor