

**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

**TENTH REPORT OF THE MONITOR
DATED OCTOBER 23, 2014**

TABLE OF CONTENTS

INTRODUCTION..... 1

TERMS OF REFERENCE 2

BACKGROUND 2

CLASS ACTIONS..... 4

STATUS OF CLAIM BY REVENU QUEBEC AGAINST DOMFOAM..... 5

TIMING OF DISTRIBUTION TO CREDITORS..... 6

ACTIVITIES OF THE MONITOR 7

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS 8

PROFESSIONAL FEES..... 8

ALLOCATION OF PROFESSIONAL FEES..... 9

EXTENSION OF THE STAY PERIOD 9

MONITOR'S RECOMMENDATIONS 10

EXHIBITS

- EXHIBIT A: Initial Order dated January 12, 2012
- EXHIBIT B: U.S. Recognition Order dated February 24, 2012
- EXHIBIT C: Claims Solicitation Procedure Order dated June 15, 2012
- EXHIBIT D: Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to October 20, 2014
- EXHIBIT E: Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to October 20, 2014
- EXHIBIT F: Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to October 20, 2014
- EXHIBIT G: Affidavit of Catherine Hristow of Deloitte Restructuring Inc., sworn October 22, 2014
- EXHIBIT H: Affidavit of Grant Moffat of Thornton Grout Finnigan LLP, sworn October 22, 2014

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, 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. By Order of the United States Bankruptcy Court, Northern District of Ohio (Western Division) (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 Orders of the Court dated February 8, March 16, June 15, October 25, 2012, February 28, July 17, 2013, December 17, 2013 and April 29, 2014 (collectively, the “**Extension Orders**”), the Court has periodically extended the Stay Period, with the most recent extension expiring on October 30, 2014.
7. All of the assets of the Companies have been sold and the proceeds of sale are held by the Monitor. Pursuant to the Order of the Court dated June 15, 2012 (the “**Claims Solicitation Procedure Order**”), the Monitor has conducted and completed a claims process with respect to

the Companies (the “**Claims Solicitation Procedure**”). The claims bar date under the Claims Solicitation Procedure was August 31, 2012. A copy of the Claims Solicitation Procedure Order is attached as Exhibit “C”.

8. The Initial Order together with related Court documents, the Notice to Creditors dated January 19, 2012 and the Monitor’s First through Ninth Reports to the Court (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.
9. The purpose of this report (the “**Tenth Report**”) is to update the Court with respect to the status of the steps remaining to carry out a distribution to the Companies’ creditors, to complete the administration of the Companies’ estates 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 24, 2015.

TERMS OF REFERENCE

10. In preparing the Tenth Report, the Monitor has relied upon unaudited financial information, the Companies’ books and records, and discussions with management (“**Management**”) and legal counsel for the Companies.
11. Unless otherwise stated, all dollar amounts contained in this Tenth Report are expressed in Canadian dollars.
12. Capitalized terms not otherwise defined in this Tenth Report are as defined in the Initial Order.

BACKGROUND

13. 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.

14. 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.
15. 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

16. As set out in the Monitor's First Report to the Court dated January 25, 2012, 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.
17. 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.
18. 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.
19. 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.
20. 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

21. 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.
22. The Canadian Class Actions consist of two proceedings commenced in each of British Columbia (the “**BC Proceedings**”) and Ontario (the “**Ontario Proceedings**”) and a proceeding 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**”).
23. 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 Proceeding 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.
24. 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 and 2014. 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. The Settlement Agreement has been approved within the Quebec Proceeding, the Ontario Proceedings and the BC Proceedings and all relevant appeal periods expired on or about April 22, 2014 (the “**Effective Date**”).
25. The Settlement Agreement provides that after the Effective Date costs incurred by the Brayianis Defendant and the Individual Settling Parties shall be the responsibility of each such party (each

as defined in the Settlement Agreement). The Monitor has therefore not permitted the Companies to fund any of the costs of the Brayiannis Defendant or the Individual Settling Parties incurred in connection with their obligations under the Settlement Agreement after the Effective Date.

STATUS OF CLAIM BY REVENU QUEBEC AGAINST DOMFOAM

26. Revenu Quebec filed a Proof of Claim against Domfoam pursuant to the Claims Solicitation Procedure 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.
27. Discussions have continued between the parties and the amount of the claim in dispute has been substantially reduced. Revenu Quebec's claim was originally comprised of Quebec sales tax in the amount of \$795,116.64 and goods and services tax in the amount of \$2,156,013.74. Revenu Quebec has acknowledged that Domfoam is entitled to make an election pursuant to section 156 of the *Excise Tax Act* (Canada) in respect of its purchases of goods and services from Valle Foam and A-Z Foam, with the result that Revenu Quebec reduced its claim in respect of intercompany sales from \$1,664,824.52 to zero. On April 22, 2014, Revenu Quebec delivered to the Monitor its revised notice of assessment (the "**Revised Notice of Assessment**"), claiming \$844,941.87 in respect of Quebec sales tax and source deductions and \$398,904.83 in respect of GST.
28. As noted in the Monitor's Ninth Report to the Court, the Monitor has accepted Revenu Quebec's claim for taxes exigible in respect of sales of pre-filing goods, specifically GST input tax credits in the amount of \$185,667.56 and input tax refunds in the amount of \$348,868.20 (together, the "**Pre-Filing Amounts**").
29. It appears that certain of the amounts referenced in Revenu Quebec's Revised Notice of Assessment constitute post-filing obligations of Domfoam in accordance with paragraph 7(b) of the Initial Order. Prior to distribution, the Monitor will review the Revenue Quebec claim to determine if any amounts constitute post-filing amounts of Domfoam. Although substantial progress has been made in resolving the Revenu Quebec claim, Domfoam continues to dispute its

liability in respect of approximately \$400,000 of the Revenu Quebec claim relating to certain input tax credits disallowed by Revenu Quebec. Details of that dispute are described below.

30. Domfoam has provided to Revenu Quebec invoices rendered to Domfoam in respect of goods and services supplied to Domfoam by various temporary employment agencies. Domfoam claimed input tax credits in respect of Quebec sales tax and GST exigible in respect of all such invoices. The aggregate amount of such input credits amounts to approximately \$400,000.00.
31. Revenu Quebec has advised Domfoam that the temporary agencies in respect of which input tax credits were claimed have been audited by Revenu Quebec and identified as “suppliers of false invoices”. Revenu Quebec claims that these agencies do not have any activities in accordance with the rules of the industry and do not have the capacity to provide the services billed to Domfoam. Domfoam disputes Revenu Quebec’s position. Domfoam claims that it received the services identified in the subject invoices and that it properly paid all taxes exigible in respect of those invoices.
32. Domfoam has appealed that part of the Revenu Quebec assessment relating to the disallowed input tax credits to the Tax Court of Canada, without prejudice to its position that the amount of Revenu Quebec’s claim should be properly determined before the Ontario Superior Court of Justice in accordance with the Claims Solicitation Procedure. Domfoam and the Monitor have actively engaged with Revenu Quebec to attempt to negotiate a settlement of the foregoing appeal. However, as at the date of this Tenth Report, no settlement has been reached.
33. On October 16, 2014, Domfoam received Revenu Quebec’s responding materials. The timing of the hearing of the appeal is unknown.

TIMING OF DISTRIBUTION TO CREDITORS

34. The proceeds of the Companies’ assets are currently held by the Monitor. In the ordinary course, prior to carrying out a distribution to the Companies’ creditors, the Monitor would obtain clearance certificates from CRA as well as the relevant provincial taxing authorities in Ontario, British Columbia and Quebec, confirming that no amounts are owing by any of the Companies to those taxing authorities. However, clearance certificates will not be issued by the relevant taxing authorities unless and until the Companies file their federal and provincial income tax returns. None of the Companies have filed tax returns since the 2011 fiscal year. The Monitor does not

have the necessary information to file tax returns on behalf of the Companies and, accordingly, it does not appear that the Companies' outstanding tax returns will be filed.

35. The *Income Tax Act* (Canada), the *Excise Tax Act* (Canada) and certain provincial statutes may impose personal liability upon the Monitor for amounts owing to the federal and provincial taxing authorities if it carries out a distribution to the Companies' creditors without first obtaining the necessary clearance certificates. Since it does not appear that those clearance certificates will be obtained, the Monitor has contacted the Department of Justice to determine if it will be possible to obtain a comfort letter from CRA confirming that the Monitor will not incur any personal liability in connection with any distribution to the Companies' creditors in circumstances in which the Claims of CRA will not be paid in full. The Monitor will also require similar comfort letters from the provincial taxing authorities.
36. If the Monitor is unable to obtain the foregoing comfort letters, then it may be necessary to bankrupt the Companies in order to carry out a distribution to the Companies' creditors. The taxing statutes referred to above which may impose personal liability upon the Monitor do not impose that liability upon a trustee in bankruptcy.
37. Once this issue has been resolved, the Monitor will be in a position to make a recommendation to the Court regarding the appropriate method to carry out a distribution to the Companies' creditors.

ACTIVITIES OF THE MONITOR

38. In addition to the activities described above, the Monitor has undertaken the following activities since the date of the Ninth Report:
 - (a) Assisted the Companies in attempting to resolve the outstanding claim by Revenu Quebec, which is the only unresolved claim against the Companies, other than certain late filed claims as described in the Monitor's Fifth Report to the Court;
 - (b) Assisted counsel to Valle Foam in collecting outstanding accounts receivable; and
 - (c) Monitored the financial position of the Applicants and prepared this Tenth Report.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

39. Attached as Exhibit “D” is the Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to October 20, 2014. Total cash receipts from the sale of assets, the collection of accounts receivable, settlement funds, reimbursement of legal fees and other receipts are \$7,390,811.36. Total disbursements are \$1,298,487.90. Net cash on hand as of October 20, 2014 is \$6,092,323.46. The majority of these funds are invested in guaranteed investments.
40. Attached as Exhibit “E” is the Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to October 20, 2014. Total cash receipts from the sale of assets, the collection of accounts receivable, settlement funds and other receipts are \$4,670,846.11. Total disbursements are \$2,506,567.83. Net cash on hand as at October 20, 2014 is \$2,164,278.28. The majority of these funds are invested in guaranteed investments.
41. Attached as Exhibit “F” is the Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to October 20, 2014. Total cash receipts from the sale of assets, the collection of accounts receivable, settlement funds and other receipts are \$1,209,068.92. Total disbursements are \$503,334.81. Net cash on hand as at October 20, 2014 is \$705,734.11. The majority of these funds are invested in guaranteed investments.

PROFESSIONAL FEES

42. 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.
43. The total fees of the Monitor during the period from April 12, 2014 to October 10, 2014 amount to \$40,597.00, together with expenses and disbursements in the amount of \$58.00 and harmonized sales tax (“HST”) in the amount of \$5,285.16, totalling \$45,940.16 (the “Monitor Fees”). The time spent by the Monitor is more particularly described in the Affidavit of Catherine Hristow of Deloitte Restructuring Inc., sworn October 22, 2014, sworn in support hereof and attached hereto as Exhibit “G”.

44. The total legal fees incurred by the Monitor during the period April 1, 2014 to September 30, 2014 for services provided by TGF as the Monitor's independent legal counsel amount to \$50,590.00, together with disbursements in the amount of \$461.69 and HST in the amount of \$6,636.73, totalling \$57,688.42. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn October 22, 2014 in support hereof and attached hereto as Exhibit "H".

ALLOCATION OF PROFESSIONAL FEES

45. As noted in the Monitor's Ninth Report to the Court, 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.
46. 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

47. The Companies have asked the Court to approve an extension of the Stay Period from October 30, 2014 to April 24, 2015. The basis for this request is to allow time for resolution of the Revenu Quebec claim, to obtain comfort letters from CRA and the provincial taxing authorities as described above, to collect the remaining Valle Foam accounts receivable and to present a distribution methodology for creditors holding proven claims.
48. 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 24, 2015.

MONITOR'S RECOMMENDATIONS

49. For the reasons set out above, the Monitor recommends that:
- (a) the Stay Period be extended until April 24, 2015;
 - (b) the Tenth Report and the activities of the Monitor as described in the Tenth 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 23 day of October, 2014.

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

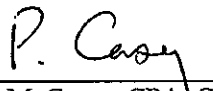
Per: 
Paul M. Casey, CPA, CA, CIRP
Senior Vice-President

EXHIBIT "A"

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



ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.)

JUSTICE NEWBOULD)

THURSDAY, THE 12th

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~~); [✓] 500,000 ✓

Second – Directors' Charge (to the maximum amount of \$~~1,000,000~~); [✓] 1,000,000 ✓

mt

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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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

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

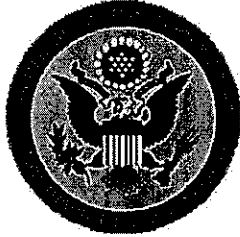
snassabi@mindengross.com

416-864-9223 fax

Lawyers for the Applicants

EXHIBIT ^{"B"}

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.



Dated: February 24 2012

Mary Ann Whipple
United States Bankruptcy Judge

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)
James W. Ehrman (0011006)
One Cleveland Center, 20th Floor
1375 East 9th Street
Cleveland, OH 44114-1793
Telephone: (216) 696-8700
Facsimile: (216) 621-6536
Email: mkw@kjk.com
jwe@kjk.com

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

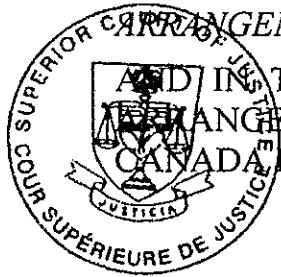
EXHIBIT ¹ C ¹

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.

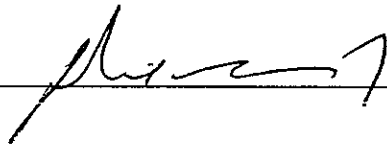
28. **THIS COURT ORDERS** that references to the singular include the plural and to the plural include the singular.

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)

(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 "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

Exhibit D

**Deloitte Restructuring 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 October 20, 2014**

Receipts

Sale of assets	\$ 1,560,000.00
Accounts Receivable - Collected by Purchaser	3,699,723.31
Accounts Receivable - Collected by Applicants	93,380.73
Reimbursement of Legal Fees (net of payment of post-filing obligations)	631,451.21
Insurance Refund	51,297.00
Interest Earned	132,943.46
Class Action Settlement (net)	383,754.65
Loan Repayment & Interest from 4362063 Canada Ltd.	838,261.00
Total cash receipts	\$ <u>7,390,811.36</u>

Disbursements

CCAA Monitor's Fees	228,821.78
HST on CCAA Monitor's Fees	29,746.83
Legal Fees and Disbursements	784,296.78
HST Paid on Legal and Disbursements	94,204.02
Other Disbursements (Newspaper Notices, Bank Charges)	5,810.44
HST on Disbursements	640.47
PST Paid on D&O Premium	2,070.00
D&O Insurance premium	25,875.00
Post-filing Claims Paid	127,022.58
Total cash disbursements	\$ <u>1,298,487.90</u>

Cash on hand as at October 20, 2014	\$ <u><u>6,092,323.46</u></u>
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Exhibit E

**Deloitte Restructuring Inc., CCAA Monitor of
4362063 Canada Ltd.
(formerly Domfoam International Inc.)
Statement of Receipts and Disbursements
For the period March 29, 2012 to October 20, 2014**

Receipts

Sale of assets	\$ 4,050,879.66
Funds received from Domfoam RBC bank accounts	296,932.86
Interest earned	64,758.97
Class Action Settlement (net)	<u>258,274.62</u>
Total cash receipts	\$ <u>4,670,846.11</u>

Disbursements

CCAA Monitor's Fees	228,821.77
HST on CCAA Monitor's Fees	28,903.39
Legal Fees and Disbursements	1,279,180.19
HST Paid on Legal and Disbursements	97,028.30
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
Loan Payment & Interest to 3113736 Canada Ltd.	<u>838,261.00</u>
Total cash disbursements	\$ <u>2,506,567.83</u>

Cash on hand as at October 20, 2014	\$ <u><u>2,164,278.28</u></u>
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Exhibit F

**Deloitte Restructuring Inc., CCAA Monitor of
of A-Z Sponge & Foam Products Ltd.
Statement of Receipts and Disbursements
For the period March 29, 2012 to October 20, 2014**

Receipts

Sale of assets	\$ 842,278.49
Funds received from A-Z bank account	304,564.36
Insurance Refund	12,033.16
Interest Earned	13,409.53
Class Action Settlement (net)	36,783.38
Total cash receipts	\$ <u>1,209,068.92</u>

Disbursements

CCAA Monitor's Fees	50,849.24
HST on CCAA Monitor's Fees	6,610.41
Legal Fees and Disbursements	291,571.08
HST Paid on Legal and Disbursements	21,115.21
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	125,399.48
Total cash disbursements	\$ <u>503,334.81</u>

Cash on hand as at October 20, 2014	\$ <u><u>705,734.11</u></u>
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EXHIBIT ^u 6 ^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.**

APPLICANTS

**AFFIDAVIT OF CATHERINE HRISTOW
(Sworn October 22, 2014)**

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, a Certified Management 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 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc. ("Valle Foam")), 4362063 Canada Ltd. (formerly 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 April 12, 2014 to October 10, 2014 (the "Passing of Accounts Period").

3. The total fees of the Monitor during the Passing of Accounts Period amount to \$40,597.00, together with expenses and disbursements in the amount of \$58.00 and harmonized sales tax ("HST") in the amount of \$5,285.16 totalling \$45,940.16.

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 April 1, 2014 to September 30, 2014.


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 22
day of October, 2014

)
)
)
)


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 October 22, 2014)



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: June 10, 2014
 Invoice No: 3602861
 Client/Mandate No: 921001/1000001
 Partner: Paul Casey

Attention: Mr. Paul Casey

HST Registration No: 122893605

Invoice

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 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc. ("Valle Foam")), 4362063 Canada Ltd. (formerly Domfoam International Inc. ("Domfoam")), and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period April 12, 2014 to May 31, 2014.

Date	Professional	Description
4/14/2014	Hristow, Catherine	Correspondence with G. Moffat; conference call with G. Moffat and D. Ullmann; correspondence with C. Caruso regarding settlement with Casa Leather; review draft letter to D. Winters; review class action orders.
4/15/2014	Hristow, Catherine	Correspondence with G. Moffat; continue drafting Ninth Report of the Monitor.
4/17/2014	Hristow, Catherine	Correspondence with G. Moffat; correspondence S. Nassabi.
4/21/2014	Brown, Rose	Print general ledger ("GL") and update receipts and disbursements ("R&D") to April 22, 2014 and email same to C. Hristow; completion of on-going trust account banking administration, and disbursement processing.
4/21/2014	Hristow, Catherine	Review preliminary statements of R&D; discussion with G. Moffat regarding letter to Canada Revenue Agency ("CRA"); update potential dividend spreadsheet and send same to G. Moffat; conference call with G. Moffat and D. Ullmann.
4/22/2014	Brown, Rose	Review draft R&D, revise and send to C. Hristow.
4/22/2014	Brown, Rose	Trust banking administration - deposits.
4/22/2014	Damiani, Stefano	Email correspondence with A. Koroneos with respect to Domfoam creditor query; review listing and respond.
4/22/2014	Hristow, Catherine	Review updated statements of R&D; correspondences with C. Naudie; telephone attendance with G. Moffat; further revisions to the Ninth Report of the Monitor; correspondences with D. Ullmann; review motion record; correspondence with P. Casey; review amended Revenu Quebec

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.
 June 10, 2014
 Page 2

Date	Professional	Description
		claim and forward same to D. Ullmann and G. Moffat; correspondence with A. Bryk.
4/23/2014	Brown, Rose	Respond to Domfoam creditor inquiry; send copy of creditor list by email.
4/23/2014	Bryk, Adam	Review of the Monitor's Ninth Report.
4/23/2014	Hristow, Catherine	Correspondences with P. Casey and A. Bryk; review CRA documentation; correspondences with G. Moffat; further revisions to Ninth Report of the Monitor.
4/23/2014	Mingie, Susan	Review of the Monitor's Ninth Report.
4/24/2014	Hristow, Catherine	Finalize and sign the Ninth Report of the Monitor; correspondence with G. Moffat; correspondence with C. Faria regarding posting of information on the Monitor's website; correspondence with P. Casey; review listing of outstanding accounts receivable ("A/R"); review accounts receivable receipts in 2012 and request information from S. McNeill; correspondence with S. Nassabi.
4/25/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
4/28/2014	Hristow, Catherine	Discussion with G. Moffat; review class action documentation.
4/29/2014	Hristow, Catherine	Attendance in court regarding the Ninth Report of the Monitor; correspondence with S. McNeill.
5/2/2014	Hristow, Catherine	Review and approve bank reconciliations for March; review legal accounts; review correspondence from G. Moffat.
5/6/2014	Hristow, Catherine	Correspondence with R. Slattery.
5/7/2014	Hristow, Catherine	Discussion with G. Moffat regarding CRA and Ministry of Finance; correspondence and discussion with S. Damiani regarding same; review email correspondences from B. Robb; correspondence to B. Robb regarding EHT audit; correspondence with M. McKie regarding Ministry of Finance.
5/8/2014	Hristow, Catherine	Correspondence with the Ministry of Finance; review correspondence received by G. Moffat; email correspondence with P. Casey; discussion with D. Ullmann.
5/12/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
5/13/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
5/20/2014	Hristow, Catherine	Correspondence with G. Moffat.
5/26/2014	Brown, Rose	Renew investment and input same into GL; prepare R&D's; on-going trust account banking administration, and disbursement processing.
5/26/2014	Hristow, Catherine	Review correspondence from Branch MacMaster; telephone attendance with G. Moffat; discussion with R. Brown regarding GL balances; commence review of all claims and compare same to Ascend.
5/27/2014	Brown, Rose	Review disbursement on Ascend to confirm legal bill not paid.
5/27/2014	Hristow, Catherine	Complete review of claims; correspondence with D. Ullmann regarding WSIB claim; correspondence with Bankruptcy Highway regarding

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.
June 10, 2014
Page 3

Date	Professional	Description
		Pitney Bowes; discussion with A. Koroneos.
5/28/2014	Hristow, Catherine	Prepare potential dividend schedule and send same to G. Moffat; review draft correspondence; discussion with G. Moffat; revise schedule and resend.
5/28/2014	Koroneos, Anna	Review of email from C. Hristow and locate claim in records.
5/30/2014	Hristow, Catherine	Review correspondence from BC Ministry of Finance; voicemail to G. Moffat; review correspondence from Branch McMaster.

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.
 June 10, 2014
 Page 4

Summary of Fees

Professional	Position	Hours	Rate	Fees
Bryk, Adam	Senior Vice President	0.8	\$ 650.00	520.00
Mingie, Susan	Senior Vice President	0.5	\$ 650.00	325.00
Hristow, Catherine	Vice President	37.9	570.00	21,603.00
Damiani, Stefano	Manager	0.4	425.00	170.00
Koroneos, Anna	Manager	0.3	425.00	127.50
Brown, Rose	Trust Administrator	5.4	160.00	864.00
Total hours and professional fees		45.3		23,609.50
Blended hourly rate			521.18	
Disbursements				26.00
Total Fees and Disbursements				23,635.50
HST @ 13%				3,072.62
Total Amount Due				\$ 26,708.12

Allocation of fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. 45%	10,624.28	11.70	1,382.68	12,018.65
Domfoam International Inc. (45%)	10,624.28	11.70	1,382.68	12,018.65
A-Z Sponge & Foam Products (10%)	2,360.95	2.60	307.26	2,670.81
Totals	23,609.50	26.00	3,072.62	26,708.12

Valle Foam Industries (1995) Inc.
Domfoam International Inc.
A-Z Sponge & Foam Ltd.
c/o Deloitte & Touche Inc.
June 10, 2014
Page 5

REMITTANCE ADDRESS:

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

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



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

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

Private and Confidential

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 16, 2014
Invoice No: 3650529
Client/Mandate No: 921001/1000001
Billing Partner: Paul Casey

HST Registration No: 122893605

Attention: Mr. Paul Casey

Invoice

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 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc. ("Valle Foam")), 4362063 Canada Ltd. (formerly Domfoam International Inc. ("Domfoam")), and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period June 1, 2014 to September 15, 2014.

Date	Professional	Description
6/2/2014	Hristow, Catherine	Review legal correspondence; email correspondence with G. Moffat of Thornton Grout Finnigan ("TGF").
6/3/2014	Hristow, Catherine	Review legal accounts.
6/4/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
6/5/2014	Hristow, Catherine	Review correspondence from D. Ullmann; calculate potential levy for each of the administrations and advise D. Ullmann of same.
6/6/2014	Hristow, Catherine	Review message from D. Ullmann.
6/9/2014	Hristow, Catherine	Discussion with D. Ullmann; review correspondence regarding Revenu Quebec and advise D. Ullmann of same; telephone attendance with G. Moffat; review legal accounts.
6/10/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
6/10/2014	Hristow, Catherine	Review statement of receipts and disbursements; review Revenu Quebec correspondences.
6/10/2014	Hristow, Catherine	Correspondence with G. Moffat and D. Ullmann; correspondence with E. Kancachian regarding access to court filings.
6/12/2014	Hristow, Catherine	Correspondence with D. Ullmann; correspondence with S. Nassabi.

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.
 September 16, 2014
 Page 2

Date	Professional	Description
6/13/2014	Hristow, Catherine	Review correspondence from D. Ullmann.
6/20/2014	Hristow, Catherine	Telephone attendance with G. Moffat; review Canada Revenue Agency and Revenu Quebec correspondence; email correspondence with G. Moffat.
6/23/2014	Hristow, Catherine	Review correspondence from D. Ullmann.
6/27/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
7/7/2014	Brown, Rose	Attendance at bank to deposit cheque and record same in Ascend.
7/14/2014	Hristow, Catherine	Discussion with G. Moffat.
7/31/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/1/2014	Hristow, Catherine	Review and approve legal invoices; email correspondence to C. Naudie of Osler; correspondence with legal counsel.
8/5/2014	Hristow, Catherine	Review tax documentation; prepare and send fax to Ministry of Finance.
8/13/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/19/2014	Hristow, Catherine	Review correspondence from C. Naudie; review correspondence regarding Revenu Quebec; telephone attendance with G. Moffat.
9/2/2014	Hristow, Catherine	Review information on class action settlement and orders; telephone attendance with G. Moffat; attendance on a call with a creditor requesting a proof of claim package; attendance on a conference call with C. Naudie and G. Moffat.
9/3/2014	Hristow, Catherine	Review and sign off on bank and investment reconciliations.
9/10/2014	Hristow, Catherine	Review Revenu Quebec information in preparation for meeting with R. Slattery, D. Ullmann and G. Moffat; review Osler invoices.
9/11/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
9/12/2014	Hristow, Catherine	Review supplier invoices for approval and payment, including a detailed review of the supporting documentation, and sign cheques; attendance at meeting at Minden Gross with R. Slattery, D. Ullmann and G. Moffat.
9/15/2014	Hristow, Catherine	Review documents and prepare summary schedule of Revenue Quebec Tax information and send same to R. Slattery, D. Ullmann and G. Moffat; review letter from Chubb Insurance.

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.
 September 16, 2014
 Page 3

Summary of Fees

Professional	Position	Hours	Rate	Fees
Hristow, Catherine	Vice President	18.4	570.00	\$ 10,488.00
Brown, Rose	Trust Administrator	2.9	160.00	464.00
Total hours and professional fees		21.3		10,952.00
Blended hourly rate			514.18	
Disbursements				32.00
Total Fees and Disbursements				\$ 10,984.00
HST @ 13%				1,427.92
Total Amount Due				\$ 12,411.92

Allocation of Fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	4,928.40	14.40	642.56	5,585.36
Domfoam International Inc. (45%)	4,928.40	14.40	642.56	5,585.36
A-Z Sponge & Foam Products (10%)	1,095.20	3.20	142.80	1,241.20
Totals	10,952.00	32.00	1,427.92	12,411.92

REMITTANCE ADDRESS:

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

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696 US Bank Account

Bank Code# 002 Account #476968822816

Swift Code and ABA Address

NOSCCATT

ABA # 026002532

Canadian Bank Account

Account #476960440019

Swift Code Address – Canada / Int'l Wires

NOSCCATT

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

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.

September 16, 2014

Page 4

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



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

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

Private and Confidential

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: October 16, 2014
Invoice No: **3667863**
Client/Mandate No: 921001/1000001
Billing Partner: Paul Casey

HST Registration No: 122893605

Attention: Mr. Paul Casey

Invoice

For professional services rendered in connection with Deloitte Restructuring Inc., acting as Court-Appointed Monitor under the *Companies' Creditors Arrangement Act (R.S.C., 1985, c. C-36)* ("CCAA") of 3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc. ("Valle Foam")), 4362063 Canada Ltd. (formerly Domfoam International Inc. ("Domfoam")), and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period September 16, 2014 to October 10, 2014.

Date	Professional	Description
9/17/2014	Hristow, Catherine	Review correspondence from D. Ullmann of Minden Gross LLP and subsequent discussion regarding same.
9/19/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
9/19/2014	Hristow, Catherine	Telephone attendance with D. Ullmann.
9/23/2014	Hristow, Catherine	Telephone attendance with G. Moffat of Thornton Grout Finnigan ("TGF"); review materials and send email to D. Cisterna; review correspondence from G. Moffat; email correspondence to J. Howard regarding Bryannis, Cappuccino and Zickmantel.
9/24/2014	Hristow, Catherine	Review correspondence from G. Moffat; review correspondence from D. Ullmann.
9/29/2014	Hristow, Catherine	Review email correspondence regarding Revenu Quebec and discuss same with D. Ullmann.
10/1/2014	Brown, Rose	Review company records in Ascend and correspond with C. Hristow regarding same.
10/1/2014	Hristow, Catherine	Correspondence with R. Brown regarding information on trust accounts; attendance at a meeting at TGF with G. Moffat and W. Branch.

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.
 October 16, 2014
 Page 2

Date	Professional	Description
10/2/2014	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
10/2/2014	Koroneos, Anna	Review of email correspondence on Valle Foam and respond to same.
10/2/2014	Hristow, Catherine	Review legal invoices for approval and payment; correspondence to legal counsel; review and sign bank reconciliations.
10/6/2014	Hristow, Catherine	Review various correspondence regarding Revenu Quebec; email correspondence with R. Slattery, D. Ullmann and G. Moffat.
10/7/2014	Hristow, Catherine	Telephone attendance with D. Ullmann and subsequent email correspondence.
10/8/2014	Hristow, Catherine	Discussion with S. Nassabi; correspondence with D. McNeill; review correspondence with D. Ullmann and subsequent discussion regarding same.

Summary of Fees

Professional	Position	Hours	Rate	Fees
Hristow, Catherine	Vice President	10.0	\$570.00	\$ 5,700.00
Koroneos, Anna	Manager	0.3	\$425.00	127.50
Brown, Rose	Trust Administrator	<u>1.3</u>	\$160.00	<u>208.00</u>
Total hours and professional fees			11.6	\$ 6,035.50
Blended hourly rate			\$520.30	
HST @ 13%				784.62
Total Amount Due				\$ 6,820.12

Allocation of Fees

Entity	Professional Fees	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	\$ 2,715.98	\$ 353.08	\$ 3,069.06
Domfoam International Inc. (45%)	2,715.98	353.08	3,069.05
A-Z Sponge & Foam Products (10%)	603.55	78.46	682.01
Totals	\$ 6,035.50	\$ 784.62	\$ 6,820.12

REMITTANCE ADDRESS:

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

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

3113736 Canada Ltd. (formerly Valle Foam Industries (1995) Inc.)
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A-Z Sponge & Foam Products Ltd.
c/o Deloitte Restructuring Inc.
October 16, 2014
Page 3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address -- Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

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

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

EXHIBIT "H"

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 October 22, 2014)**

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 April 1, 2014 to September 30, 2014.

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.

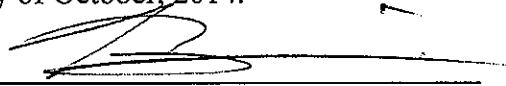
6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

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 22nd)
day of October, 2014.)
)



Grant B. Moffat



A commissioner for taking oaths, etc.

Annette Melinda Fournier, a Commissioner, etc.,
Province of Ontario, for Thornton Grout Finnigan LLP,
Barristers and Solicitors.
Expires February 7, 2017.

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")

TWENTY-SEVENTH BILL OF COSTS OF THE MONITOR

For the period ending April 30, 2014

Apr-01-14	Review notice of assessment and correspondence from Revenu Quebec; review correspondence from company counsel to Revenu Quebec; review ETA and Quebec statute regarding jurisdiction to hear appeal from assessment; consider paramountcy impact on jurisdiction; review correspondence from C. Naudie; review settlement agreement regarding cooperation obligations; consider funding of same; telephone call with C. Hristow regarding same;	2.80	GBM
	Review and summarize letter from Revenu Quebec regarding notice of objection;	1.10	KP
	Email to G. Moffat regarding research on Quebec Sales Tax Act and Court jurisdiction in Quebec;	1.20	LN
Apr-02-14	Review correspondence with CRA and Revenu Quebec; draft correspondence to CRA regarding proposed distribution relief required from CRA and other taxing authorities; review Sixth, Seventh and Eighth Reports regarding same; review correspondence from CRA regarding claims against each of the Applicants; telephone call with W. Branch regarding status of distribution; draft Ninth Report;	5.40	GBM
Apr-03-14	Draft correspondence to Department of Justice regarding CRA claims; draft Ninth Report;	4.60	GBM
	Review and consider email from G. Moffat regarding Revenu Quebec; discussions with G. Moffat regarding letter from Revenu Quebec;	0.40	KP
Apr-04-14	Review correspondence regarding Revenu Quebec claim;	0.40	GBM
	Review BC taxing statutes regarding personal liability for personal representatives;	1.60	LN
Apr-07-14	Review correspondence regarding dissolution of company; review correspondence regarding Revenu Quebec; consider relief available from the Court;	0.70	GBM

Apr-08-14	Review correspondence regarding clearance certificates; telephone call with C. Hristow regarding same; review claims submitted by CRA; review correspondence regarding priority of same;	2.40	GBM
Apr-10-14	Review translation of correspondence from Revenu Quebec; review prior assessment and proof of claim regarding same;	0.40	GBM
Apr-14-14	Revise draft letter to D. Winter regarding proposed distribution; review correspondence from Revenu Quebec regarding same;	0.90	GBM
	Telephone call with C. Hristow; telephone call with C. Hristow and D. Ullman; meeting L. Nicholson regarding research on jurisdiction of tax court;	1.00	GBM
Apr-15-14	Review caselaw regarding venue to determine validity of Revenu Quebec claim; correspondence with D. Ullman regarding same;	0.40	GBM
Apr-16-14	Telephone call with R. Slattery regarding stay extension and Revenu Quebec claim; review correspondence from C. Hristow regarding correspondence to CRA; revise correspondence to CRA;	0.60	GBM
	Review CRA assessments;	0.20	GBM
Apr-17-14	Revise letter to CRA; review Eighth Report regarding claims filed and funds available for distribution; review Initial Order regarding CRA pre-filing claims; consider position of Companies regarding priority of GST;	2.10	GBM
Apr-21-14	Telephone call with C. Hristow (2x); review correspondence regarding proposed distribution; correspondence with W. Branch; review Eighth report regarding outstanding issues;	1.20	GBM
Apr-22-14	Review correspondence from C. Hristow regarding claims filed and funds available for distribution; telephone call with C. Hristow; revise correspondence to D. Winters; review fee affidavit; review and revise draft Ninth Report to Court; review correspondence to C. Naudie regarding status of settlement approvals in B.C. and Ontario;	5.20	GBM
	Review notice of assessment from Revenu Quebec; telephone call with C. Hristow; revise Ninth Report; review prior notice of assessment to reconcile amount claimed;	1.00	GBM
	Prepare fee affidavit and exhibits thereto; forward same to client;	0.60	AF
Apr-23-14	Correspondence with W. Branch regarding distribution motion; telephone call with C. Hristow; review companies' motion material for stay extension; revise Ninth Report;	2.20	GBM
	Review notice of assessment from Revenu Quebec; review correspondence with Revenu Quebec;	0.40	GBM
	Revise Ninth Report and compile exhibits thereto;	1.00	AF
Apr-24-14	Review final report; correspondence with C. Hristow; revise report;	1.20	GBM
	Review service list; review receipts and disbursements regarding distribution; review correspondence from C. Naudie regarding continuing examinations;	0.80	GBM

	Finalize Ninth Report of Monitor and compile same for service and filing; serve Ninth Report via email; prepare Affidavit of Service; memo to court agent;	1.00	AF
Apr-25-14	Review Ninth report; review correspondence from D. Winters; review law regarding jurisdiction of tax court; telephone call with D. Ullman;	1.00	GBM
Apr-28-14	Review memo from C. Naudie regarding co-operation obligations under settlement agreement; review settlement agreement; review correspondence from C. Hristow regarding same; telephone call with C. Hristow;	1.60	GBM
Apr-29-14	Review motion record and Ninth Report; review settlement letter agreement with class counsel; attend stay extension motion;	2.20	GBM
	Review memo from C. Naudie; telephone call with C. Naudie regarding funding of costs by individual settling parties; telephone call with C. Hristow regarding same; telephone call with D. Winters; review correspondence with counsel for individual parties to settlement agreement; review Initial Order regarding authorization to pay legal fees in connection with class settlement agreement;	1.70	GBM
Apr-30-14	Telephone call with P. Zavanhauzen at Department of Justice; review correspondence regarding CRA claims;	0.50	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	40.90	\$725.00	29,652.50	
Kyle Plunkett	1.50	\$350.00	525.00	
Annette Fournier (Law Clerk)	2.60	\$250.00	650.00	
Lee Nicholson (Student)	2.80	\$225.00	630.00	
TOTAL FEE HEREIN			\$31,457.50	
HST on Fees			<u>\$4,089.48</u>	
Total Fees and HST				\$35,546.98
<u>Disbursements:</u>				
Photocopies			\$335.25	
Telephone			\$3.40	
Total Taxable Disbursements			\$338.65	
HST on Disbursements			\$44.02	
Total Non-Taxable Disbursements			<u>\$0.00</u>	
Total Disbursements and HST				<u>\$382.67</u>
Total Fees, Disbursements & HST				\$35,929.65
OUR ACCOUNT HEREIN				<u>\$35,929.65</u>

ThorntonGroutFinnigan LLP

Per:



Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-029
Invoice No. 28183
Date: May 14/14

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.

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-EIGHTH BILL OF COSTS OF THE MONITOR

For the period ending May 31, 2014

May-02-14	Review correspondence regarding Polyol litigation; review timing of Revenu Quebec appeal; meeting with L. Nicholson; correspondence with D. Ullman;	0.80	GBM
	Reviewing materials provided by tax authorities; discussion with G. Moffat regarding appeal procedures from notice of objection; research on the Quebec Tax Administration Act;	0.70	LN
May-05-14	Meeting with L. Nicholson regarding appeal of Revenu Quebec decision; review correspondence regarding same;	0.30	GBM
May-06-14	Review correspondence regarding Revenu Quebec;	0.20	GBM
	Research regarding appeal procedures after notice of determination by CRA and Revenu Quebec; email to G. Moffat;	1.20	LN
May-07-14	Telephone call with K. O'Hara at Ministry of Finance; telephone call with C. Hristow regarding Employer Health Tax audit; review reports regarding Minister of Finance claims; review correspondence from W. Branch regarding Domfoam appeal; correspondence with W. Branch regarding same;	1.90	GBM
May-08-14	Review proof of claim from Minister of Finance; correspondence with K. O'Hara regarding same; correspondence with C. Hristow;	0.80	GBM
	Correspondence with counsel to B.C. Ministry of Finance;	0.40	GBM
May-09-14	Review correspondence from B.C. Minister of Finance; consider comfort letter requirement for Ontario;	0.80	GBM
May-13-14	Correspondence with B.C. Minister of Finance; telephone call with C. Hristow; review caselaw regarding jurisdiction of Tax Court and provincial court;	1.30	GBM
May-15-14	Correspondence with C. Hristow;	0.20	GBM

May-16-14	Telephone call with D. Ullman; review correspondence from Minister of Finance regarding claim; review correspondence from CRA regarding claim;	0.20	GBM
May-20-14	Telephone call with D. Ullman; correspondence with C. Hristow; review notices for claims process;	0.60	GBM
May-26-14	Review correspondence regarding distribution; review statement of receipts and disbursements for each estate; review claims filed to date; correspondence with C. Hristow regarding same; telephone call with C. Hristow;	1.60	GBM
May-28-14	Review correspondence with W. Branch; review distribution and claims schedule; draft correspondence with W. Branch; telephone call with C. Hristow; revise distribution sheet; review Ninth Report to Court; review notice of assessment from Revenu Quebec; review memo regarding venue for appeal;	2.40	GBM
May-29-14	Review correspondence from British Columbia Ministry of Finance; review clearance information; correspondence with D. Hatter at British Columbia Ministry of Finance;	0.50	GBM
May-30-14	Review correspondence from B.C. Ministry of Finance solicitor; correspondence with C. Hristow; review correspondence from W. Branch;	0.60	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	12.60	\$725.00	9,135.00	
Lee Nicholson (Student)	1.90	\$225.00	427.50	
TOTAL FEE HEREIN			\$9,562.50	
HST on Fees			\$1,243.13	
Total Fees and HST				\$10,805.63
 <u>Disbursements:</u>				
Binding			\$8.08	
Computer Research			\$57.61	
Photocopies			\$0.50	
Telephone			\$1.98	
Filed Ninth Report of the Monitor			\$30.00	
Total Taxable Disbursements			\$98.17	
HST on Disbursements			\$12.76	
Total Non-Taxable Disbursements			\$0.00	
Total Disbursements and HST				\$110.93
Total Fees, Disbursements & HST				\$10,916.56
 OUR ACCOUNT HEREIN				<u>\$10,916.56</u>

ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 28282
Date: Jun 11/14

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-NINTH BILL OF COSTS OF THE MONITOR

For the period ending June 30, 2014

Jun-02-14	Telephone call with R. Slattery; telephone call with C. Hristow regarding pre-filing claims; telephone call with W. Branch;	0.60	GBM
Jun-03-14	Review correspondence in Quebec class proceeding; correspondence with C. Hristow regarding same;	0.40	GBM
Jun-05-14	Review correspondence regarding distribution matrix; review Revenu Quebec assessment; telephone call with W. Branch;	0.90	GBM
Jun-09-14	Review correspondence regarding Revenu Quebec claim; review distribution schedule; telephone call with C. Hristow regarding same; telephone call from class counsel;	1.20	GBM
Jun-11-14	Telephone call with R. Slattery; review correspondence with W. Branch regarding Revenu Quebec claim;	0.60	GBM
Jun-13-14	Review GST/QST appeal materials;	0.50	GBM
Jun-16-14	Review QST/HST appeal materials; review ETA and Revenu Quebec assessment regarding same; review correspondence from C. Hristow regarding same; correspondence with D. Ullman; telephone call with D. Ullman regarding same;	1.70	GBM
	Correspondence with W. Branch; telephone call with C. Hristow regarding quantum of priority claim by Revenu Quebec;	0.50	GBM
Jun-17-14	Review correspondence regarding status of clearance certificates; review statute regarding same;	0.60	GBM
Jun-19-14	Review distribution calculation; review amount in dispute in Revenu Quebec claim and late filed claims;	0.40	GBM
Jun-20-14	between pre and post filing amounts; review spreadsheet calculation; review correspondence with Revenu Quebec regarding same; review status of Valle and A-Z claims and correspondence regarding clearance certificates; review correspondence from C. Hristow regarding calculation of post-filing claims;	2.60	GBM

Jun-24-14

Correspondence with W. Branch; review correspondence from D. Ullman; review appeal materials;


0.50

GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	10.50	\$725.00	7,612.50	
TOTAL FEE HEREIN			\$7,612.50	
HST on Fees			<u>\$989.63</u>	
Total Fees and HST				\$8,602.13
<u>Disbursements:</u>				
Transportation			\$15.93	
Total Taxable Disbursements			\$15.93	
HST on Disbursements			\$2.07	
Total Non-Taxable Disbursements			<u>\$0.00</u>	
Total Disbursements and HST				<u>\$18.00</u>
Total Fees, Disbursements & HST				\$8,620.13
OUR ACCOUNT HEREIN				<u>\$8,620.13</u>

ThorntonGroutFinnigan LLP

Per: _____


Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 28402
Date: Jul 15/14

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.

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")

THIRTIETH BILL OF COSTS OF THE MONITOR

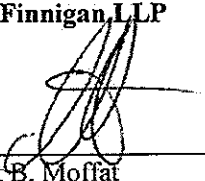
For the period ending August 31, 2014

Jul-14-14	Review correspondence from W. Branch; telephone call with C. Hristow; telephone call with D. Ullman; correspondence with W. Branch regarding status of claims process issues;	0.80	GBM
Jul-21-14	Review correspondence regarding funding of co-operation obligations;	0.20	GBM
Aug-12-14	Telephone call with J. Berkow regarding funding costs of individual settling parties;	0.20	GBM
	Telephone call with R. Slattery;	0.20	GBM
Aug-14-14	Review correspondence from Revenu Quebec;	0.20	GBM
Aug-19-14	Correspondence with C. Naudie regarding funding of cooperation obligations under settlement agreement;	0.20	GBM
	Telephone call with C. Hristow;	0.20	GBM
Aug-27-14	Receive correspondence from Revenu Quebec; telephone call with W. Branch;	0.40	GBM
Aug-28-14	Telephone call with W. Branch;	0.30	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	2.70	\$725.00	1,957.50
TOTAL FEE HEREIN			\$1,957.50
HST on Fees			<u>\$254.48</u>
Total Fees and HST			\$2,211.98

<u>Disbursements:</u>		
Telephone	\$8.94	
Total Taxable Disbursements	\$8.94	
HST on Disbursements	\$1.16	
Total Non-Taxable Disbursements	<u>\$0.00</u>	
Total Disbursements and HST		<u>\$10.10</u>
Total Fees, Disbursements & HST		\$2,222.08
OUR ACCOUNT HEREIN		<u>\$2,222.08</u>

ThorntonGroutFinnigan, LLP

Per: 
Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 28580
Date: Sep 18/14

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.

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
Thornton Grout Finnigan LLP
for the period April 1, 2014 to September 30, 2014

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
28183	\$ 31,457.50	\$ 338.65	\$ 4,133.50	47.8	\$658.11	\$ 35,929.65
28282	9,562.50	98.17	1,255.89	14.5	659.48	10,916.56
28402	7,612.50	15.93	991.70	10.5	725.00	8,620.13
28580	1,957.50	8.94	255.64	2.7	725.00	2,222.08
TOTALS:	\$50,590.00	\$ 461.69	\$6,636.73			<u>\$57,688.42</u>

EXHIBIT "C"

Billing Rates of Thornton Grout Finnigan LLP

For the period April 1, 2014 to September 30, 2014

	<u>Rate</u>	<u>Year of Call</u>
Grant B. Moffat	\$725	1991
Kyle Plunkett	\$350	2011
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

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

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**

**TENTH REPORT OF THE MONITOR
DATED OCTOBER 23, 2014**

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