

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

_____)	
In re:)	Case No. 12-30214
)	
VALLE FOAM INDUSTRIES (1995))	Chapter 15
INC.)	
)	Judge Mary Ann Whipple
Foreign Applicant in Foreign)	
Proceedings)	
_____)	
)	Case No. 12-30215
In re:)	
)	Chapter 15
DOMFOAM INTERNATIONAL INC.)	
)	Judge Mary Ann Whipple
Foreign Applicant in Foreign)	
Proceedings)	
_____)	
)	Case No. 12-30218
In re:)	
)	Chapter 15
A-Z SPONGE & FOAM PRODUCTS)	
LTD.)	Judge Mary Ann Whipple
)	
Foreign Applicant in Foreign)	
Proceedings)	
_____)	

**MOTION FOR EXPEDITED HEARING ON MOTION OF FOREIGN
REPRESENTATIVE FOR *EX PARTE* PROVISIONAL RELIEF PURSUANT
TO SECTIONS 1519, 362, AND 105 OF THE BANKRUPTCY CODE**

Deloitte & Touche Inc., the court-appointed monitor (the “**Monitor**”) and foreign representative of Valle Foam Industries (1995) Inc. (“**Valle Foam**”), Domfoam International Inc. (“**Domfoam**”), and A-Z Sponge & Foam Products Ltd. (“**A-Z**” and, together with 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**”), hereby moves this Court (the “**Motion**”) for this entry of an order setting an expedited hearing (the “**Expedited Hearing**”) on the Monitor’s *Ex Parte* Motion for Provisional Relief (“**Ex Parte Motion**”) [Docket no. 5], which was made pursuant to Sections 1519, 362, and 105 of title 11 of the United States Code.¹

PRELIMINARY STATEMENT

1. On January 12, 2012, the Ontario Court entered its Initial Order (the “**Canadian Order for Relief**”)² which provides for a stay (the “**Canadian Stay**”) of (i) any proceedings or enforcement process (¶ 13); (ii) all rights and remedies against or in respect of the Monitor and [each member of the Valle Foam Group] and their Business or the Property as defined in ¶ 4 (¶ 14); (iii) any interference with the rights of the [Valle Foam Group] in contracts, agreements, authorizations, licenses or permits (¶ 15); and (iv) the termination of oral or written agreements with the [Valle Foam Group], such as waste disposal services and information

¹ Unless otherwise indicated, all section references are to title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), all rule references are to the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), all references to “Local Bankruptcy Rules” or “LBR xxxx-x” are to the Local Rules for the United States Bankruptcy Court, Northern District of Ohio, and all references to “Chapter XX” are to chapter xx of the Bankruptcy Code.

² A copy of the Canadian Order for Relief is attached as Exhibit A to each of the Chapter 15 Petitions filed by the members of the Valle Foam Group.

technology services (¶ 16). The Canadian Stay is in effect “until and including February 10, 2012, or such later date as this Court may order” (¶ 13).

2. The Monitor has filed a Verified Petition for Recognition of Foreign Proceedings and Chapter 15 Relief for each member of the Valle Foam Group (the “**Chapter 15 Verified Petitions**”) requesting, *inter alia*, “[a]ll relief afforded foreign main proceedings automatically upon recognition, pursuant to Section 1520 of the Bankruptcy Code, including, but not limited to, imposition of the stay imposed by section 362.”

3. The Court is respectfully referred to the Chapter 15 Verified Petitions that outline the relevant facts, all of which are incorporated herein by reference.

4. In connection with the Chapter 15 Verified Petitions, the Monitor contemporaneously filed an *Ex Parte* Motion for Provisional Relief seeking the protection of a temporary stay pursuant to Sections 1519, 362, and 105(a) of the Bankruptcy Code pending the Court’s ruling on the Chapter 15 Petitions. The Monitor also contemporaneously filed a Memorandum of Law in support of the Chapter 15 Petitions and the *Ex Parte* Motion (the “**Memorandum of Law**”).

JURISDICTION AND VENUE

5. This Court has jurisdiction over these Chapter 15 proceedings pursuant to 28 U.S.C. §§ 1334 and 157(a) and General Order No. 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).

6. These cases have been properly commenced pursuant to section 1504 of the Bankruptcy Code by the filing of petitions for recognition of the Canadian Proceedings under section 1515 of the Bankruptcy Code.

7. Venue is proper in this district pursuant to 28 U.S.C. §§ 1410(2).

8. The statutory basis for the relief requested in this motion is sections 1519, 362, and 105(a) of the Bankruptcy Code.

RELIEF REQUESTED

9. By this Motion, the Monitor seeks entry of an order scheduling an Expedited Hearing at the earliest convenience of the Court on the Monitor's *Ex Parte* Motion for a provisional stay pursuant to Sections 1519, 362, and 105 of the Bankruptcy Code pending the Court's ruling on the issues in the Chapter 15 Petitions.

10. The Monitor seeks participation of interested parties by telephone if the Court finds it is appropriate to do so.

GROUND FOR RELIEF

11. The Monitor submits that appropriate cause exists to conduct an Expedited Hearing. As set forth in the *Ex Parte* Motion and the Memorandum of Law supporting, provisional relief under section 362 of the Bankruptcy Code is urgently needed to protect the assets of the Valle Foam Group, the interests of its Canadian and U.S. creditors, and the counterparties to the Settlements (as defined in par. no. 21 of the Verified Petitions). The Valle Foam Group faces the real and significant threat of defending litigation in the United States. If provisional relief is

not granted as soon as possible, (a) the litigation pending in the United States against members of the Valle Foam Group (described at par. nos. 19-20 of the Verified Petitions) will continue unabated, (b) the Settlements will be jeopardized and (c) the ability of the Valley Foam Group to effect their Plan will be compromised.

12. If there is no respite from the litigation, the Valle Foam Group may face a civil judgment which vastly exceeds its current cash reserves, thereby destroying the value of the Valle Foam Group and punishing its creditors who have agreed to settle their claims via the Canadian Proceedings.

13. Moreover, a stay against all potential litigation is crucial (i) to end the incredible cost of defending the various cases and (ii) to guarantee the Monitor the necessary time to sell some or all of the businesses and/or wind down operations.

14. No previous request for relief sought by this Motion has been made by the Monitor to this or any other court.

CONCLUSION

WHEREFORE, the Monitor respectfully requests that this Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: January 23, 2012

Respectfully submitted,

/s/ James W. Ehrman

Mary K. Whitmer (0018213)

James W. Ehrman (0011006)

KOHRMAN JACKSON & KRANTZ PLL

1375 E. 9th Street, 20th Floor

One Cleveland Center

Cleveland, Ohio 44114-1793

Telephone: (216) 696-8700

Telecopier: (216) 621-6536

Email: mkw@kjk.com

jwe@kjk.com

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