

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

RE VALLE FOAM INDUSTRIES
Plaintiff(s)
AND
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No.:	Facsimile No.:
R. Slattery + S. Nassabji, for company		
D. Nouel, for Monitor		
S. Wolpert, for Bayer		
E. Turkiewicz, of 631400 Ontario (Lundford)		

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows):

No one opposes the proposed 3 sales

A sale may be authorized under the CCAA in the absence of a plan: Portel Networks, (2009) 53 C.P.R. (5th) 229 (Ont SCJ), para. 48.

The criteria set out in CCAA s. 36 govern.

I have reviewed the Monitor Record, the Monitor's 3rd Report and the Confidential Supplement. I am satisfied that there has been substantial compliance with the sales process approved in the Jan 27/12 Order. Multiple offers were obtained for each of the 3 companies.

The Applicants propose approval of the highest bid for each company's assets. The sales will preserve each of the 3 businesses as going

Mar 16/12
Date

[Signature]
Judge's Signature
D.M. Brown J.

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

concern, with the retention of substantial employment. The Monitor recommends each proposed sale and opines that the proposed sales would be more beneficial to the creditors than a sale or disposition under bankruptcy. The Monitor is of the view that the consideration under each sale is fair and reasonable.

I have reviewed the detailed reasons advanced by the Monitor in support of its view that the proposed sales satisfy the criteria contained in CCAA s. 36. I accept the Monitor's recommendations regarding the sales and I approve the 3 sales. A resale, as set out in ^{Monitor} attached.

The fees sought by the ~~Receiver~~ ^{Monitor}, including legal fees, are reasonable. I approve these fees and the activities described in the 3rd Report.

The requested extension of the stay until June 30/12 is reasonable and I grant it.

Orders to go in accordance with drafts filed which I have signed.

**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 VALLE FOAM INDUSTRIES (1995)
INC., DOMFOAM INTERNATIONAL INC. and A-Z
SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

**UNOFFICIAL TRANSCRIPTION OF THE ENDORSEMENT OF
JUSTICE BROWN**

Mar 6/12

R. Slattery and S. Nassabi for company
D. Nunes for Monitor
S. Wolpert for Bayer
E. Turkienicz for 631400 Ontario (landlord)

No one opposes the proposed 3 sales.

A sale may be authorized under the CCAA in the absence of a plan:
Nortel Networks, (2009) 55 CBR (5th) 229 (Ont. SCJ), para. 48. The criteria
set out in CCAA s. 36 govern.

I have reviewed the Motion Record, the Monitor's 3rd Report and the
Confidential Supplement. I am satisfied that there has been substantial

compliance with the sales process approved in the Jan 27/12 order. Multiple offers were obtained for each of the 3 companies. The Applicants propose approval of the highest bid for each company's assets. The sales will preserve each of the 3 businesses as going concerns, with the retention of substantial employment. The Monitor recommends each proposed sale and opines that the proposed sales would be more beneficial to the creditors than a sale or disposition under bankruptcy. The Monitor is of the view that the consideration under each sale is fair and reasonable. I have reviewed the detailed reasons advanced by the Monitor in support of its view that the proposed sales satisfy the criteria contained in CCAA s. 36. I accept the Monitor's recommendations regarding the sales and I approve the 3 sales. A sealing order is granted.

The fees sought by the Monitor, including legal fees, are reasonable. I approve those fees and the activities described in the 3rd report.

The requested extension of the stay until June 30/12 is reasonable and I grant it.

Orders to go in accordance with drafts filed which I have signed.

Brown, J.