

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.

APPLICANTS

FIFTH REPORT OF THE MONITOR
DATED OCTOBER 22, 2012

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- EXHIBIT A: Initial Order dated January 12, 2012
- EXHIBIT B: U.S. Recognition Order dated February 24, 2012
- EXHIBIT C: Sale Process Order dated January 27, 2012
- EXHIBIT D: Extension Order dated February 8, 2012
- EXHIBIT E: Extension Order dated March 16, 2012
- EXHIBIT F: Extension Order dated June 15, 2012
- EXHIBIT G: Claims Solicitation Procedure Order dated June 15, 2012
- EXHIBIT H: Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to October 19, 2012
- EXHIBIT I: Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to October 19, 2012
- EXHIBIT J: Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to October 19, 2012
- EXHIBIT K: Affidavit of Catherine Hristow of Deloitte & Touche Inc., sworn October 19, 2012
- EXHIBIT L: Affidavit of Grant Moffat of Thornton Grout Finnigan LLP, sworn October 17, 2012
- EXHIBIT M: Affidavit of Mary Whitmer of Kohrman Jackson & Krantz P.L.L., sworn October 17, 2012

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

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

7. By Orders of the Court dated February 8, March 16 and June 15, 2012 (the "**Extension Orders**"), the Court extended the Stay Period to March 30, 2012, June 30, 2012 and October 30, 2012 respectively. Copies of the Extension Orders are attached hereto as Exhibits "**D**", "**E**" and "**F**".
8. By Order of the Court dated June 15, 2012, (the "**Claims Solicitation Procedure Order**"), the Court authorized and approved the procedure (the "**Claims Solicitation Procedure**") to: identify and determine the validity of:
 - (i) identify and determine the validity of creditor claims against the Companies as at the date of the Initial Order, as well as any claims which arose subsequent to the date of the Initial Order (collectively, the "**Claims**"); and
 - (ii) identify claims against any of the current or former directors or officers (collectively, the "**Directors and Officers**") of the Companies (the "**D&O Claims**").

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

9. The Initial Order together with related Court documents, the Notice to Creditors dated January 19, 2012, the Monitor's First Report to the Court dated January 25, 2012 ("**First Report**"), the Monitor's Second Report to the Court dated February 7, 2012 ("**Second Report**"), the Monitor's Third Report to the Court dated March 13, 2012 (the "**Third Report**") and the Fourth Report, have been posted on the Monitor's website at www.deloitte.com/ca/vallefoam (the "**Monitor's Website**"). The Monitor has also established a toll free number at 1-855-601-6415 and a dedicated e-mail address at vallefoam@deloitte.ca for creditors and other interested parties to contact the Monitor with questions or concerns regarding the CCAA Proceeding.
10. The purpose of this report (the "**Fifth Report**") is to update the Court with respect to the status of the Claims Solicitation Procedure and to provide the Court with the Monitor's recommendation with respect to the Companies' motion for an extension of the Stay Period to February 28, 2013.

TERMS OF REFERENCE

11. In preparing the Fifth Report, the Monitor has relied upon unaudited financial information, the Companies' books and records, the financial information prepared by the Companies, and discussions with management ("**Management**") and legal counsel for the Companies. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in the Fourth Report.
12. Unless otherwise stated, all dollar amounts contained in this Fifth Report are expressed in Canadian dollars.
13. Capitalized terms not otherwise defined in this Fifth Report are as defined in the Initial Order, the Fourth Report or the Claims Solicitation Procedure Order.

BACKGROUND

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

The Competition Bureau (Canada) Fines and Related Litigation

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

CLASS ACTIONS

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

24. The Canadian Class Actions consist of separate proceedings commenced in each of British Columbia (the “**BC Proceeding**”), Ontario (the “**Ontario Proceeding**”) and Quebec (the “**Quebec Proceeding**”). The Canadian Class Actions advance joint and several claims against the Companies and certain other defendants or respondents on behalf of proposed classes comprised of all persons or entities who purchased polyurethane foam and polyurethane foam products in Canada from and after January 1, 1999.
25. Settlements have been reached with virtually all of the Plaintiffs in both the Canadian and U.S. Class Actions. Under the settlements, the Class Actions will be discontinued as against the Companies, provided that the Plaintiffs in the Class Actions may still assert their claims as creditors within the CCAA Proceeding in amounts to be determined. The settlement agreements are still subject to separate Court approvals in Ontario, British Columbia, Quebec and the United States.
26. The Canadian Class Actions have not yet been certified by the supervising Courts in British Columbia, Ontario and Quebec. The Monitor understands that Court approval of the settlement agreement in respect of the Canadian Class Actions will be sought from the supervising Courts in British Columbia, Ontario and Quebec concurrently with the motion for certification of the British Columbia, Ontario and Quebec Proceedings.
27. The Monitor has been advised by counsel to the Companies that no date has yet been set for the necessary approvals by the Canadian Courts. However, the plaintiffs in the Canadian Class Actions have indicated that the motions for approval of the settlement agreement are anticipated to take place in early 2013.
28. The Monitor has been advised by counsel to the Companies that the Plaintiffs in the various U.S. Class Actions have dismissed both Domfoam and Valle Foam from such proceedings. Although preliminary approvals have been obtained from the U.S. Courts, the Monitor is not aware of the timetable for receipt of the final approvals from the U.S. Courts in connection with the U.S. Class Actions.
29. At this stage, the Companies are unable to determine the cost to complete the Court approval process with respect to the Class Action settlements described above as well as to complete their various continuing obligations under such settlement agreements. The law firms representing the Companies in the Class Actions have been paid retainers by the Companies. The Monitor has

advised the Companies that the Companies' Class Action counsel should rely upon the foregoing retainers to fund any fees incurred through to the requested extension of the Stay Period. At that point, the Monitor and the Companies expect to be in a better position to reassess the status of the approval process with respect to the Class Action settlements and the ongoing costs associated with same.

ACTIVITIES OF THE MONITOR

30. The Monitor has undertaken the following activities since the date of the Monitor's Fourth Report:
- (a) assisted the Companies in completing the Sale Process, described in more detail below;
 - (b) issued the required documents to creditors in accordance with the Claims Solicitation Procedure Order, reviewed claims filed, and issued Notices of Revision or Disallowance after consultation with the Applicants; and
 - (c) monitored the business and financial affairs of the Applicants, and prepared this Fifth Report.

STATUS OF SALE PROCESS

31. A summary of all of the offers received by the Companies pursuant to the Sale Process, as well as an analysis of those offers by the Monitor, is contained in the Monitor's Supplemental Report to the Third Report dated March 13, 2012 (the "**Supplemental Report**"). The Supplemental Report has been sealed from the public record pursuant to the Order of the Court dated March 16, 2012. As described in more detail below, each of the transactions to sell the Companies' assets has now closed.

SALE OF A-Z FOAM ASSETS

32. As noted in the Fourth Report, the transaction under the A-Z Sale Agreement closed on or about March 29, 2012. The A-Z Foam Purchaser paid net proceeds of sale under the A-Z Sale Agreement in the amount of \$842,278.49, which are now held by the Monitor.

33. The transaction contemplated in the A-Z Sale Agreement resulted in the continuation of A-Z Foam's business as a going concern. Under the terms of the A-Z Sale Agreement, the A-Z Foam Purchaser offered employment to substantially all of A-Z Foam's existing employees on substantially the same terms and conditions of employment as existed prior to the sale.
34. As at the date of the Fourth Report, there was approximately \$210,000 and US \$92,000 in the bank accounts maintained by A-Z Foam with Royal Bank of Canada ("RBC"). On June 15, 2012, the Monitor received funds in the amount of \$304,564.36 from RBC representing all of the funds in the RBC Canadian and U.S. bank accounts for A-Z Foam.
35. Paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. The Monitor does not object to the payment by A-Z Foam of its post-filing obligations incurred in the ordinary course of business in the amount of \$20,610.40.

SALE OF DOMFOAM ASSETS

36. The transaction under the Domfoam Sale Agreement closed on or about March 26, 2012. The Domfoam Purchaser paid net proceeds of sale under the Domfoam Sale Agreement in the amount of \$3,662,975, which are now held by the Monitor. The Applicants and the Monitor resolved the issue of the working capital adjustment under the Domfoam Sale Agreement with the Domfoam Purchaser and received funds in the amount of \$345,371.87 on October 19, 2012.
37. As noted in the Fourth Report, there was approximately CAD\$306,000 and US \$7,000 in the bank accounts maintained by Domfoam with RBC. Paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. Domfoam paid operating expenses from the funds on hand and has issued two cheques to the Monitor which are in transit representing the remainder of the funds in its RBC bank accounts in the amounts of \$293,449.75 and U.S. \$3,596.77.
38. The transaction contemplated under the Domfoam Sale Agreement resulted in the continuation of Domfoam's business as a going concern. Under the terms of the Domfoam Sale Agreement, the Domfoam Purchaser offered employment to substantially all of Domfoam's unionized employees and substantially all of its non-unionized employees.

SALE OF VALLE FOAM ASSETS

39. The transaction under the Valle Sale Agreement closed on or about March 30, 2012. The Valle Foam Purchaser paid net proceeds of sale under the Valle Sale Agreement in the amount of \$1,525,000, which are now held by the Monitor.
40. Under the terms of the Valle Sale Agreement, Valle Foam appointed the Valle Foam Purchaser as its agent for a period of 90 days to collect all accounts receivable outstanding as at the Closing Date. The Valle Foam Purchaser is paid a collection fee equal to 20% of the accounts receivable collected by the Valle Foam Purchaser. The Valle Foam Purchaser collected accounts receivable with a value of \$4,593,339.94 and remitted net proceeds to the Monitor in the amount of \$3,674,671.95. Intercompany receivables were not subject to a collection fee from the transaction, and the Valle Foam Purchaser remitted to the Monitor 100% of the accounts receivable collected from Domfoam in the amount of \$25,051.37. The Applicants and the Monitor have now resolved the inventory adjustment under the Valle Foam Sale Agreement with the Valle Foam Purchaser. The Monitor expects that documentation reflecting that agreement will be signed shortly and the balance of the sale proceeds will then be received.
41. Paragraph 6 of the Initial Order provides that the Applicants are entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on their business in the ordinary course after the date of that Order. As described below, Valle Foam paid \$1,083,123.46 on behalf of the other Companies with respect to certain professional fees incurred by the Companies in respect of the Class Actions and the Competition Bureau proceeding. As a result, Valle Foam did not have sufficient funds to pay certain post-filing obligations. As at the date of the Fourth Report, Valle Foam only had \$2,000 and USD \$14,000 in its bank accounts, which funds were subsequently used to pay only some of its post-filing expenses incurred in the ordinary course. From the reimbursement of funds received by Valle Foam from Domfoam and A-Z Foam in respect of professional fees described below, Valle Foam paid certain of its remaining post-filing expenses in the ordinary course in the amount of \$67,079.53.
42. The transaction contemplated under the Valle Sale Agreement resulted in the continuation of Valle Foam's business as a going concern. Under the terms of the Valle Sale Agreement, the Valle Foam Purchaser offered employment to substantially all of Valle Foam's unionized employees and substantially all of its non-unionized employees.

CLAIMS SOLICITATION PROCEDURE

43. In accordance with the Claims Solicitation Procedure Order, the Monitor posted on the Monitor's website on June 15, 2012 the Claims Solicitation Procedure Order, a notice describing the Claims Solicitation Procedure and confirming that the Claims Bar Date was August 31, 2012 ("Notice to Creditors"), proof of claim form for a claim against the Companies ("Proof of Claim"), proof of claim form for a claim against the Directors and Officers ("Proof of D&O Claim") and an instruction letter regarding completion of the Proof of Claim and Proof of D&O Claim (the "Instruction Letter").
44. In accordance with the Claims Solicitation Procedure Order, on June 20, 2012, the Monitor mailed to each known creditor of the Companies at the last known address for such creditor as contained in the Companies' books and records the following:
 - a) notice to creditors of the Claims Bar Date combined in the Instruction Letter;
 - b) Proof of Claim form; and
 - c) Proof of D&O Claim form.
45. The Notice to Creditors was published in The Globe and Mail (National Edition) and La Presse on June 22, 2012 in accordance with the Claims Solicitation Procedure Order.
46. The Monitor, with the assistance of the Companies, reviewed all Proofs of Claim delivered to the Monitor by the Claims Bar Date. Except as described below, the Monitor has not reviewed or taken any steps with respect to any Proofs of D&O Claim delivered to the Monitor.
47. The Claims Solicitation Procedure Order does not include procedures for reviewing and determining D&O Claims. There were a number of creditors with claims against the Companies who mistakenly filed a Proof of D&O Claim instead of a Proof of Claim. The Monitor, after consultation with the Applicants, disallowed the improperly filed Proofs of D&O Claim and either admitted the claimed amount as a Proof of Claim, or issued a partial disallowance.
48. Listed below is a summary of the pre-filing and post-filing Proofs of Claim which have been admitted by the Monitor and those Proofs of Claim that are pending resolution, which are discussed further later in this report.

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

49. Of the approximately \$759,000 Claims filed against Valle Foam for post-filing obligations, approximately \$757,000 is in respect of severance and termination claims by employees who were terminated post January 12, 2012.
50. In accordance with paragraph 31 of the Initial Order, Valle Foam was authorized to advance funds up to, but not exceeding \$1,000,000 to either A-Z Foam or Domfoam to be used for operating purposes (the "Valle Foam Loan"). A-Z Foam and Domfoam granted security to Valle Foam for the Valle Foam Loan. As noted in the Third Report, Domfoam owes Valle Foam \$700,000 in respect of the Valle Foam Loan. The intercompany accounts need to be reconciled to determine if additional funds were advanced for intercompany debts. The Claims Solicitation Procedure Order did not require Valle Foam to file a Proof of Claim in respect of any amounts outstanding under the Valle Foam Loan. Although Domfoam has not yet repaid its indebtedness to Valle Foam under the Valle Foam Loan, the Monitor anticipates that such payment will be addressed in connection with the ultimate distribution of funds available in the Companies' estates.
51. No Proof of Claim forms were filed by the U.S. Class Action claimants.
52. Included in the amount of admitted Claims against both Valle Foam and Domfoam are the claims submitted by the Competition Bureau in the amount of \$6.0 million respectively.
53. In accordance with the Claims Solicitation Procedure Order, the Monitor sent by September 21, 2012 a Notice of Revision or Disallowance in respect of any Proof of Claim disputed by the Monitor in whole or in part indicating the reasons for the revision or disallowance. Those Proofs of Claim received by the Claims Bar Date in respect of which the Monitor did not send a Notice of Revision or Disallowance by September 21, 2012 are deemed to be Proven Claims.
54. Pursuant to the Claims Solicitation Procedure Order, any Creditor who receives a Notice of Revision or Disallowance and who objects to the amount of the Claim set out therein or any other provisions of such notice was required to deliver to the Monitor on or before 5:00 p.m. on

October 5, 2012 a Notice of Dispute. If a Creditor failed to deliver a Notice of Dispute to the Monitor by the foregoing deadline, then the value of such Creditor's claim is deemed to be as set out in the Monitor's Notice of Revision or Disallowance.

55. Any creditor who has delivered a Notice of Dispute to the Monitor by the foregoing deadline is required, unless otherwise agreed by the Monitor in writing, to serve on the Monitor and the Applicants a notice of motion in the Court, returnable not less than 30 days after the service of the Notice of Dispute, for determination of the claim in dispute, failing which the value of such Creditor's claim shall be deemed to be as set out in the applicable Notice of Revision or Disallowance.

CLAIMS DISALLOWED BY THE MONITOR

56. In connection with the Notices of Revision or Disallowance issued by the Monitor, only four Notices of Dispute were received as described below.
57. Revenu Quebec filed a Proof of D&O Claim against the Directors and Officers of Domfoam in the amount of \$2,912,679.00. The Monitor, after consultation with the Applicants, issued a Notice of Revision or Disallowance disallowing the claim of Revenu Quebec in full on September 21, 2012. On October 5, 2012, Revenu Quebec issued a Notice of Dispute in the full amount of its original claim which has yet to be resolved. No claims were filed by Canada Revenue Agency for Valle Foam or A-Z Foam.
58. The most significant Proofs of Claim submitted to the Monitor were filed in respect of the Canadian Class Actions. The Monitor received three separate Proofs of Claim as follows:
 - (a) Proof of Claim from one of the Plaintiffs in the BC Proceedings on behalf of a proposed class of all persons or entities in British Columbia who purchased polyurethane foam or polyurethane foam products, including carpet underlay, directly from the Companies from January 1, 1999 to the present;
 - (b) Proof of Claim by the Plaintiff in the Ontario Proceeding on behalf of a proposed class of all persons or entities in Canada who purchased foam products or carpet underlay directly and/or indirectly from the Companies from January 1, 1999 to the present, except for purchasers in the BC and Quebec Proceedings; and

(c) Proof of Claim from one of the Plaintiffs in the Quebec Proceeding, together with a proposed class of all persons and entities in Quebec who purchased polyurethane foam products,

(collectively, the “**Canadian Class Action Proofs of Claim**”).

59. The Canadian Class Action Proofs of Claim do not specify the amount claimed but instead indicate such amount is “to be ascertained”.
60. In addition to the Canadian Class Action Proofs of Claim as noted above, two additional claimants, Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. filed Proofs of Claim as members of a proposed class in amounts yet to be determined.
61. The Monitor issued a Notice of Revision or Disallowance in respect of each of the Canadian Class Action Proofs of Claim on the following basis:
 - (a) no agreement between the party filing the Proof of Claim and the proposed class or an Order of the Court or any other authority pursuant to which the party filing the Proof of Claim is authorized to file the Proof of Claim on behalf of the subject class was provided to the Monitor; and
 - (b) the Monitor required that the amount claimed under each Canadian Class Action Proof of Claim be quantified.
62. The Monitor issued a Notice of Revision or Disallowance in respect of Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. on the same basis as the Canadian Class Action Notice of Disputes as noted above.
63. In accordance with the Claims Solicitation Procedure Order, the Monitor received Notices of Dispute in respect of each of the foregoing Notices of Revision or Disallowance. The Notices of Dispute confirm that the plaintiffs in the Canadian Class actions have not sought certification or authorization of the Canadian Class Actions because the Canadian settlement agreement calls for doing so concurrently with settlement approval and the Plaintiffs have secured in the settlement agreement the right to advance collective claims in the CCAA proceeding. The Notices of Dispute also provide that, to the extent the Monitor continues to take issue with the claimant’s ability to advance collective Claims in the CCAA proceedings, the claimant will take steps to immediately seek certification or authorization of the Canadian Class Actions retroactive to the

date of the settlement agreement so that there is no question that those Claims can be advanced as agreed by the parties.

64. The Notices of Dispute also address quantification of the Claims in the Canadian Class Actions. The Notices of Dispute provide that the amount claimed under each of the Canadian Class Action Proofs of Claim is \$97,500,000 (\$292,500,000 in total) on behalf of the class of plaintiffs referenced in the subject Proof of Claim. The amount claimed is calculated as 10% of the total sales to customers in Canada by Domfoam and Valle Foam during the relevant period. The Notices of Dispute provide that it is the practice of the Competition Bureau and of the U.S. Department of Justice to establish fines using 20% of the volume of commerce to arrive at the appropriate fine. Of that amount, 10% is considered to be the estimate of the damages flowing from the overcharges, whereas the additional 10% is assessed for deterrence purposes.
65. The Notices of Dispute also note that the \$12,500,000 fine levied by the Competition Bureau against Domfoam and Valle Foam was calculated based upon the statutory maximum fine of \$25,000,000.00, which was further discounted by 50% pursuant to the Competition Bureau's leniency program.
66. The Monitor is considering the damages quantification contained in the Notices of Dispute and anticipates seeking advice and directions from the Court with respect to quantification of the Claims in respect of the Canadian Class Action Proofs of Claim prior to expiry of the Stay Period. At that point, the Monitor will also be in a position to address the proposal distribution methodology for funds in the Companies' estates.
67. Satpanth Capital Inc. et al and Dynasty Furniture Mfg. Ltd. did not file Notices of Dispute and the Monitor has been advised that those claimants are relying on the Notice of Dispute filed by the Canadian Class Action claimants.

LATE FILED CLAIMS

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

69. Subsequent to August 31, 2012 to the date of this report, two additional proofs of claim for Domfoam were received by the Monitor totalling approximately \$13,000 (the “**Late Filed Claims**”). The Monitor has been advised that one of the taxing authorities will be filing a claim or claims to be considered by the Court at a future date.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

70. Attached as Appendix “**H**” is the Statement of Receipts and Disbursements for Valle Foam for the period March 29, 2012 to October 19, 2012. Total cash receipts from the sale of assets, the collection of accounts receivable and other receipts are \$5,874,368.26. Total disbursements are \$414,006.55. Net cash on hand as at October 19, 2012 is \$5,460,361.71.
71. Attached as Appendix “**I**” is the Statement of Receipts and Disbursements for Domfoam for the period March 29, 2012 to October 19, 2012. Total cash receipts from the sale of assets and interest earned is \$4,013,312.72. Total disbursements are \$933,177.37. Net cash on hand as at October 19, 2012 is \$3,080,135.35. As noted previously, in transit from Domfoam are two cheques in the amounts of \$293,449.75 and U.S. \$3,596.77 representing the funds from its RBC bank accounts.
72. Attached as Appendix “**J**” is the Statement of Receipts and Disbursements for A-Z Foam for the period March 29, 2012 to October 19, 2012. Total cash receipts from the sale of assets and other receipts is \$1,156,868.79. Total disbursements are \$213,913.48. Net cash on hand as at October 19, 2012 is \$942,955.31.

PROFESSIONAL FEES

73. 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.
74. The total fees of the Monitor during the period from June 1, 2012 to September 30, 2012 amount to \$161,651.50, together with expenses and disbursements in the amount of \$6,000.84 and harmonized sales tax (“**HST**”) in the amount of \$21,794.80, totalling \$189,447.14 (the “**Monitor**

Fees”). The time spent by the Monitor is more particularly described in the Affidavit of Catherine Hristow of Deloitte & Touche Inc., sworn October 19, 2012, sworn in support hereof and attached hereto as Exhibit “K”.

75. The total legal fees incurred by the Monitor during the period June 1, 2012 to September 30, 2012 for services provided by TGF as the Monitor’s independent legal counsel amount to \$66,077.50, together with disbursements in the amount of \$172.70 and HST in the amount of \$8,612.53, totalling \$74,862.73. The time spent by TGF personnel is more particularly described in the Affidavit of Grant Moffat, a partner of TGF, sworn October 17, 2012 in support hereof and attached hereto as Exhibit “L”.
76. The total legal fees incurred by the Monitor during the period April 1, 2012 to September 30, 2012 for services provided by Kohrman Jackson & Krantz P.L.L. (“KJK”) as the Monitor’s independent legal counsel as Foreign Representative in the Chapter 15 Proceedings amount to US \$3,001.50, together with disbursements in the amount of US \$34.87, totalling US \$3,036.37. The time spent by KJK personnel is more particularly described in the Affidavit of Mary Whitmer, a partner of KJK, sworn October 17, 2012 in support hereof and attached hereto as Exhibit “M”.

ALLOCATION OF PROFESSIONAL FEES

77. As noted in the Fourth Report, Valle Foam paid all of the professional fees incurred by the Companies in connection with the Class Actions and the Competition Bureau proceeding. As at the date of the Fourth Report, Valle Foam had paid \$1,083,123.46 on behalf of all of the Companies with respect to the fees of the Applicant’s legal counsel, the fees of the Monitor and its legal counsel, and the Companies’ Class Action legal counsel, all of which should be allocated on a pro rata basis. The Applicants, with the concurrence of the Monitor, determined that the appropriate pro rata allocation of the foregoing professional fees to Valle Foam, Domfoam and A-Z Foam should be 45%, 45% and 10% respectively. Therefore, Domfoam and A-Z Foam owed Valle Foam \$440,750.31 and \$97,944.51 plus HST of \$46,664.25 and \$10,369.84 respectively on account of such professional fees and those funds were repaid to the Valle account in possession of the Monitor on June 15, 2012.
78. 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. To date, Domfoam and A-Z Foam have repaid Valle Foam \$30,123.91 and \$6,694.20 including HST respectively.

79. As noted previously, Valle Foam paid certain of its remaining post-filing expenses in the ordinary course in the amount of \$67,079.53 from the legal fees that were reimbursed by Domfoam and A-Z Foam.
80. Ongoing payment of the Monitor's fees, and legal fees incurred by the Monitor and the Applicant are paid on the above noted prorated basis.

EXTENSION OF THE STAY PERIOD


81. The Companies have asked the Court to approve an extension of the Stay Period from October 31, 2012 to February 28, 2013. The basis for this request is to allow time for resolution of the various Notices of Dispute referred to above. The Monitor believes that the Companies are acting in good faith and with due diligence and the Monitor therefore supports the stay extension to February 28, 2013.

MONITOR'S RECOMMENDATIONS

82. For the reasons set out above, the Monitor recommends that:
 - (a) the Stay Period be extended until February 28, 2013;
 - (b) the Fifth Report and the activities of the Monitor as described in the Fifth Report be approved; and
 - (c) the professional fees and disbursements of the Monitor, TGF and KJK be approved and the Companies be authorized to pay all such fees and disbursements.

All of which is respectfully submitted at Toronto, Ontario this 22 day of October, 2012.

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

Per: 

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

EXHIBIT A

EXHIBIT "A"



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

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

(the "Applicants")

INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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 ^{the St. John's Star} ~~[newspapers specified by the Court]~~ 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.

#1832803 | 4079509



SECRETARY OF THE COURT
BY BOOKING
LE JOURNALIER PERIODIQUE NO:

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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

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Toronto ON M5H 4G2

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snassabi@mindengross.com

416-864-9223 fax

Lawyers for the Applicants

EXHIBIT B

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

A handwritten signature in black ink, appearing to read "Mary Ann Whipple".

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

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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 C

EXHIBIT "C"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 27th DAY
MR. JUSTICE BROWN) 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")

**ORDER
(Approval of Sale Process)**

THIS MOTION made by Valle Foam Industries (1995) Inc., Domfoam International Inc., and A-Z Sponge & Foam Products Ltd. (the "Applicants") for an Order authorizing and approving the Sale Process (as defined below) and certain ancillary relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tony Vallecoccia sworn January 25, 2012, and the exhibits thereto (the "Vallecoccia Affidavit"), the First Report of Deloitte & Touche Inc., in its capacity as Court-appointed monitor of the Applicants (the "Monitor") dated January 25, 2012, and the appendices attached thereto (the "First Report"), and on hearing the submissions of counsel for the Applicants, counsel for

the Monitor, counsel for 631400 Ontario Limited and counsel for Bayer Inc., and no one appearing for anyone else on the Service List, although properly served as appears from the affidavit of service of Victoria Stewart sworn January 25, 2012,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the First Report.
3. **THIS COURT ORDERS** that the First Report and the actions, decisions and conduct of the Monitor as set out in the First Report are hereby approved.
4. **THIS COURT ORDERS** that the sale process for the Property as described in the Vallecoccia Affidavit, (the "Sale Process") is approved.
5. **THIS COURT ORDERS** that the terms and conditions of sale ("Terms of Sale") attached as an exhibit to the First Report be and the same are hereby approved, together with any amendments thereto deemed necessary and appropriate by the Applicants with the consent of the Monitor.
6. **THIS COURT ORDERS** that notwithstanding paragraph 4 of this Order the Applicants are authorized to return to Court on or before February 22, 2012 to seek the approval of a sale or sales of some or all of the Property should the Applicants and the Monitor determine it necessary to do so.
7. **THIS COURT ORDERS** that the Applicants are authorized and directed to perform their obligations under and take such steps as they consider necessary or desirable in carrying out the Sale Process, and any step taken by the Applicants in

connection with the Sale Process prior to the date hereof is hereby approved and ratified.

8. **THIS COURT ORDERS** that, in accordance with the Terms of Sale, the Applicants are not obligated to accept any offer or offers to purchase some or all of the Property.

9. **THIS COURT ORDERS** that the Monitor shall have no personal or corporate liability in connection with the Sale Process including, without limitation:

- (a) by advertising the Property and/or the Sale Process;
- (b) by exposing the Property to any and all parties, including, but not limited to, those who have made their interests known to the Monitor;
- (c) by responding to any and all requests or inquiries in regards to due diligence conducted in respect of the Property;
- (d) through the disclosure of any and all information regarding the Applicants or the Property arising from, incidental to, or in connection with the Sale Process;
- (e) pursuant to any and all offers received by the Applicants in accordance with the Sale Process; and
- (f) pursuant to any agreements of purchase and sale entered into by any of the Applicants in respect of the sale of any of the Property.

10. **THIS COURT ORDERS** that pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicants shall disclose personal information of identifiable individuals to prospective

purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such information is provided shall limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Applicants or the Monitor, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants or the Monitor, or ensure that all other personal information is destroyed.

11. **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, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

12. **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.

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

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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

ORDER
(Approval of Sale Process)

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416-864-9223 fax

Lawyers for the Applicants

EXHIBIT D

thereto (the "Second Report"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor,

, and no one appearing for anyone else on the Service List, although properly served as appears from the affidavit of service of Victoria Stewart sworn February 7, 2012,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Second Report.
3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Order of Justice Newbould in these proceedings dated January 12, 2012) is hereby extended from February 10, 2012 to March 30, 2012.
4. **THIS COURT ORDERS** that the Second Report and the actions, decisions and conduct of the Monitor as set out in the Second Report are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, as set out in the Second Report and the Bougie Affidavit and the Moffat Affidavit attached as exhibits thereto, are hereby authorized and approved.
6. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the fees and disbursements of the Monitor and of its legal counsel and agents in the amounts set out in the Second Report.

7. **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, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.



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ON / BOOK NO:
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NB

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

ORDER
(Approval of Sale Process)

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Lawyers for the Applicants

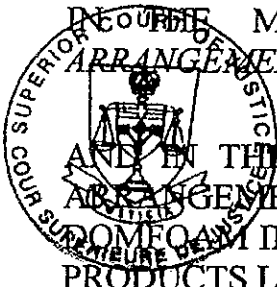
EXHIBIT E

EXHIBIT "E"

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

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.)	FRIDAY, THE 16 th DAY
)	
JUSTICE BROWN)	OF MARCH, 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")

ORDER (Extension Order)

THIS MOTION made by the Applicants for an Order extending the stay of proceedings and certain ancillary relief was heard this day at 330 University Avenue, Toronto, Ontario.

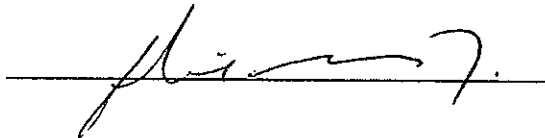
ON READING the affidavit of Tony Vallecoccia sworn March 13, 2012, and the exhibits thereto, the Third Report of Deloitte & Touche Inc., in its capacity as Court-appointed monitor of the Applicants (the "Monitor") dated March 13, 2012, and the appendices attached thereto (the "Third Report"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and no one

appearing for anyone else on the Service List, although properly served as appears from the affidavit of service of Victoria Stewart sworn March 13, 2012,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Stay Period of the Initial Order of Justice Newbould dated January 12, 2012 and as subsequently extended is hereby extended from March 30, 2012 to June 30, 2012.
3. **THIS COURT ORDERS** that the Third Report and the actions, decisions and conduct of the Monitor as set out in the Third Report are hereby authorized and approved.
4. **THIS COURT ORDERS** that the Confidential Supplement to the Third Report (the "Confidential Supplement") be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.
5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, as set out in the Third Report and the affidavit of ^{Robert Bourne and Grant Moffat} ~~(insert)~~ and the exhibits attached thereto, are hereby authorized and approved.
6. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the fees and disbursements of the Monitor and of its legal counsel and agents in the amounts set out in the Third Report.

7. **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, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.



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ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
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MAR 16 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.

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

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER
(Extension Order)**

MINDEN GROSS LLP

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416-864-9223 fax

Lawyers for the Applicants

EXHIBIT F

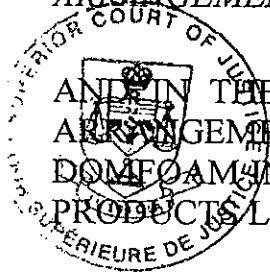
EXHIBIT "F"

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

(the "Applicants")

ORDER

(Extension, Monitor's Report & Change Title of Proceedings)

THIS MOTION made by the Applicants for an Order extending the stay of proceedings and certain ancillary relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tony Vallecoccia sworn June 12, 2012, and the exhibits thereto, the Fourth Report of Deloitte & Touche Inc., in its capacity as Court-appointed monitor of the Applicants (the "Monitor") dated June 12, 2012, and the exhibits attached thereto (the "Report"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and no one appearing for anyone else on the Service List, although properly served as appears from the affidavit of service of Nada Hannouch sworn June 12, 2012,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings ascribed thereto in the Report.
3. **THIS COURT ORDERS** that the Stay Period as defined in the Initial Order of Justice Newbould dated January 12, 2012 and as subsequently extended is hereby extended from June 30, 2012 to and until October 31, 2012.
4. **THIS COURT ORDERS** that the Report and the actions, decisions and conduct of the Monitor as set out in the Report are hereby authorized and approved.
5. **THIS COURT ORDERS** that the title of the proceedings in all documents issued, served or filed after the date of this Order be as follows:

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.


6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, as set out in the Report and the Bougie Affidavit, the Moffat Affidavit and the Whitmer Affidavit attached as Exhibits thereto, are hereby authorized and approved.

7. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the fees and disbursements of the Monitor and of its legal counsel and agents in the amounts set out in the Report.

8. **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, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.

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


#1903114 / 4079509

JUN 15 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.

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

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

**(Extension, Monitor's Report & Change Title of
Proceedings)**

MINDEN GROSS LLP

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

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Lawyers for the Applicants

EXHIBIT G

EXHIBIT "4"

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.

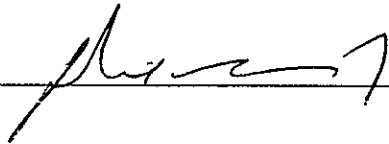
28. **THIS COURT ORDERS** that references to the singular include the plural and to the plural include the singular.

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.:



A handwritten signature in black ink, appearing to be "J. Smith", is written over a horizontal line.



Handwritten initials, possibly "J.S.", in black ink.

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 "CCA"). Pursuant to the Initial Order, Deloitte & Touche Inc. was appointed by the Court as monitor in the Applicants' CCA proceeding (the "Monitor").

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

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

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

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

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

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

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

Address of the Monitor:

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

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

Dated at _____ this _____ day of _____, 2012.

#1900657

SCHEDULE "B"

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

		Date Received _____

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

(the "Applicants")

PROOF OF CLAIM

I. DESCRIPTION OF DEBTOR, CREDITOR AND NATURE OF CLAIM

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

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

(hereinafter the "**Debtor**")

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

Individual: Corporation: Other: Specify: _____

If individual, Creditor's Social Insurance Number: _____

If corporation, Business Identification Number: _____

Address of Creditor: _____

Telephone number of Creditor:

E-mail address of Creditor:

Fax number of Creditor:

I, _____, of _____, do hereby certify:

(Name)

(City and province)

1. That I am a Creditor of the Debtor

or that I am

of

(State position or title)

(Name of Creditor)

a Creditor of the Debtor.

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

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

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

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

-or-

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

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

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

II. ATTESTATION

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

SIGNED this _____ day of _____, 2012.

(Signature of Creditor)

(Signature of witness)

(Name of Creditor in block letters)

(Name of witness in block letters)

(Address of witness in block letters)

ANNEX "A"
DETAILS OF CLAIM

SCHEDULE "C"

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

		Date Received _____

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

(the "Applicants")

PROOF OF D&O CLAIM

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

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

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

(hereinafter the "**Debtor**")

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

Individual: Corporation: Other: Specify: _____

If individual, Creditor's Social Insurance Number: _____

If corporation, Business Identification Number: _____

Address of Creditor: _____

Telephone number of Creditor:

E-mail address of Creditor:

Fax number of Creditor:

I, _____, of _____, do hereby certify:

(Name)

(City and province)

1. That I am a Creditor of the Debtor

or that I am

of

(State position or title)

(Name of Creditor)

a Creditor of the Debtor.

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

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

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

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

IV. ATTESTATION

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

SIGNED this _____ day of _____, 2012.

(Signature of Creditor)

(Name of Creditor in block letters)

(Signature of witness)

(Name of witness in block letters)

(Address of witness in block letters)

ANNEX "A"
DETAILS OF CLAIM

SCHEDULE "D"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

(the "Applicants")

NOTICE OF REVISION OR DISALLOWANCE

TO: [INSERT NAME AND ADDRESS OF CREDITOR]

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

Prefiling Claim:

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

Postfiling Claim:

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

REASONS FOR DISALLOWANCE:

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

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

Deloitte & Touche Inc.

181 Bay Street West

Suite 1400

Toronto, Ontario

M5J 2V1

Attention: Catherine Hristow

Telephone: (416) 775-8831

Facsimile: (416) 601-6690

E-mail: christow@deloitte.ca

DATE:

#1900657

SCHEDULE "E"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

(the "Applicants")

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

1. PARTICULARS OF CREDITOR:

(a) Full Legal Name of Creditor: _____

(b) Full Mailing Address of Creditor: _____

(c) *Telephone Number of Creditor: _____

(d) *Facsimile Number of Creditor: _____

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

(f) Attention (Contact Person): _____

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

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

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

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

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

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

Claim:

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

REASONS FOR DISPUTE:

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

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

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

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

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

Dated at _____ this _____ day of _____, 2012.

Per: _____

#1900657

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at TORONTO

ORDER
(Claims Solicitation Procedure)

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

Raymond M. Slattery (LSUC #20479L)
416-369-4149
rslattery@mindengross.com

David T. Ullmann (LSUC #423571)
416-369-4148
dullmann@mindengross.com

Sepideh Nassabi (LSUC #60139B)
416-369-4323
snassabi@mindengross.com
416-864-9223 fax

Lawyers for the Applicants

EXHIBIT H

**Deloitte & Touche Inc., CCAA Monitors of
of Valle Foam Industries (1995) Inc.
Statement of Receipts and Disbursements
For the period March 29, 2012 to October 19, 2012**

Receipts

Sale of assets	\$ 1,525,000.00
Accounts Receivable - Collected by Purchaser	3,699,723.32
Accounts Receivable - Collected by Applicants	23,316.61
Reimbursement of Legal Fees (net of payment of post-filing obligations)	565,467.49
Insurance Refund	51,297.00
Interest Earned	9,563.84
Total cash receipts	\$ <u>5,874,368.26</u>

Disbursements

CCAA Monitor's Fees	143,242.47
HST on CCAA Monitor's Fees	18,621.52
Legal Fees and Disbursements	222,650.16
HST Paid on Legal and Disbursements	23,898.33
Other Disbursements (Newspaper Notices, Bank Charges)	4,953.60
HST on Disbursements	640.47
Total cash disbursements	\$ <u>414,006.55</u>

Cash on hand as at October 19, 2012	\$ <u><u>5,460,361.71</u></u>
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EXHIBIT I

Exhibit I

**Deloitte & Touche Inc., CCAA Monitors of
of Domfoam International Inc.
Statement of Receipts and Disbursements
For the period March 29, 2012 to October 19, 2012**

Receipts

Sale of assets	\$ 4,008,346.87
Interest earned	4,965.85
Total cash receipts	\$ <u>4,013,312.72</u>

Disbursements

CCAA Monitor's Fees	143,242.44
HST on CCAA Monitor's Fees	18,621.52
Legal Fees and Disbursements	739,087.62
HST Paid on Legal and Disbursements	26,631.95
Other Disbursements (Newspaper Notices, bank charges)	4,953.37
HST on Disbursements	640.47
Total cash disbursements	\$ <u>933,177.37</u>

Cash on hand as at October 19, 2012	\$ <u><u>3,080,135.35</u></u>
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EXHIBIT J

**Deloitte & Touche Inc., CCAA Monitors of
of A-Z Sponge & Foam Products Ltd.
Statement of Receipts and Disbursements
For the period March 29, 2012 to October 19, 2012**

Receipts

Sale of assets	\$ 842,278.49
Funds received from A-Z bank account	304,564.36
Insurance Refund	8,517.80
Interest Earned	1,508.14
Total cash receipts	\$ <u>1,156,868.79</u>

Disbursements

CCAA Monitor's Fees	31,831.66
HST on CCAA Monitor's Fees	4,138.11
Legal Fees and Disbursements	170,063.08
HST Paid on Legal and Disbursements	6,616.82
Other Disbursements (Newspaper Notice, bank charges)	1,121.49
HST on Disbursements	142.32
Total cash disbursements	\$ <u>213,913.48</u>

Cash on hand as at October 19, 2012	\$ <u><u>942,955.31</u></u>
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EXHIBIT K

EXHIBIT ^u K ^u

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

APPLICANTS

**AFFIDAVIT OF CATHERINE HRISTOW
(Sworn October 19, 2012)**

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

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

2. Attached hereto as Exhibit "A" are true copies of the invoices for fees and disbursements incurred by Deloitte in the course of the CCAA administration of the Company between June 1, 2012 and September 30, 2012 (the "Passing of Accounts Period").

3. The total fees of the Monitor during the Passing of Accounts Period amount to \$161,651.50, together with expenses and disbursements in the amount of \$6,000.84 and harmonized sales tax ("HST") in the amount of \$21,794.80 totalling \$189,447.14.

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 June 1, 2012 to September 30, 2012.

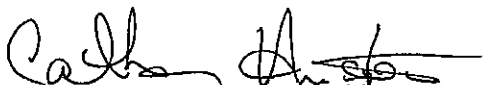
8. Thornton Grout Finnigan LLP rendered services throughout these proceedings in a manner consistent with instructions from the Monitor. The Monitor has approved all such accounts and I verily believe that the fees and disbursements of Thornton Grout Finnigan LLP are fair and reasonable in the circumstances.


9. Attached as Exhibit "A" to the Affidavit of Mary Whitmer sworn and filed in support of the within motion are the full particulars of the fees and disbursements of Kohrman Jackson & Krantz PLL, counsel to the Monitor, as Foreign Representative in the Chapter 15 Proceedings, which have been incurred during the period April 1, 2012 to September 30, 2012.

10. Kohrman Jackson & Krantz PLL 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 Kohrman Jackson & Krantz PLL are fair and reasonable in the circumstances.

11. 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
day of October 19, 2012.

)
)
) 
) Catherine A. Hristow)



A commissioner for taking oaths, etc.

Daniel Raphael Welsz, a Commissioner, etc.,
Province of Ontario
for Deloitte & Touche Inc.,
Trustee in Bankruptcy,
Expires June 8, 2014.

EXHIBIT "A"

REFERRED TO IN THE AFFIDAVIT OF CATHERINE HRISTOW
(Sworn October 19, 2012)



Commissioner

...sine: Raphael Welsz, a Commissioner, etc.,
Province of Ontario
for Deloitte & Touche Inc.,
Trustee in Bankruptcy.
Expires June 5, 2014.



Deloitte & Touche Inc.
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

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

Tel: 416-601-6077
Fax: 416-601-6610
www.deloitte.ca

Attention: Mr. Robert J. Bougie

Date: August 22, 2012
Invoice No: 3152525
Client/Mandate No: 921001/1000000
Partner: Robert Bougie

HST Registration No: 122893605

Invoice for professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed Companies' Creditors Arrangement Act (R.S.C., 1985, c. C-36) ("CCAA") Monitor of Valle Foam Industries (1995) Inc. ("Valle Foam") Domfoam International Inc. ("Domfoam") and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period June 1, 2012 to July 31, 2012.

Date	Professional	Description
6/1/2012	Hristow, Catherine	Telephone attendance with G. Moffat; telephone attendance with T. Dunn; discussion with S. Damiani.
6/3/2012	Damiani, Stefano	Email to R. Brown regarding banking matters; email to S. Knapp with respect to accounts receivable collections; discussions with C. Hristow; telephone discussion with S. McNeil regarding accounts receivable and accounts payable matter; review emails, deposit summaries and cheques provided by S. McNeil, and update the Valle Foam accounts receivable tracking schedule.
6/4/2012	Hristow, Catherine	Review correspondence from T. Dunn to B. Preston; review draft letter to M. Abramowitz and revise; review Orenda rent reconciliation provided by B. Robb; correspondence to M. Whitner of Kohrman Jackson & Krantz PPL; discussions with S. Damiani.
6/4/2012	Damiani, Stefano	Prepare statement of Valle Foam accounts receivable progress payment due at May 28, 2012, and continuity of payments from the purchaser; email correspondence to S. Knapp with respect to outstanding collections; correspondence with C. Hristow; review emails and certain account statements from S. McNeil, and instructions to A. Zailer on same; email correspondence to S. McNeil with respect to outstanding account statements; discussion with C. Hristow regarding Valle Foam inventory matters.
6/5/2012	Hristow, Catherine	Discussion with S. Damiani regarding accounts receivable collections and other matters; email correspondence to T. Dunn regarding accounts receivable collections; review email correspondence from D. Ullmann regarding Domfoam working capital adjustment and insurance information request; email correspondence to G. Ross regarding bank balances; respond to email inquiry from Penske Truck Leasing; email correspondence to Minden Gross regarding information requirements; review draft Claims Solicitation Procedure Order and provide preliminary comments to G. Moffat; review draft Fourth Court Report

Date	Professional	Description
		of the Monitor and supporting documentation for same.
6/5/2012	Damiani, Stefano	Review emails from S. McNeil regarding certain Valle Foam statements of account; discussion with C. Hristow regarding Valle Foam accounts receivable; correspondence with C. Hristow and J. English regarding Court Report matters.
6/6/2012	Brown, Rose	Deposit funds and prepare disbursement cheques.
6/6/2012	Damiani, Stefano	Discussions with C. Hristow regarding certain Valle Foam information; prepare summary of Valle Foam accounts receivable for the Fourth Report of the Monitor and submit to C. Hristow.
6/6/2012	Bougie, Robert	Review and comment on draft claims order; discussion of same and draft report to court with C. Hristow; conference call with G. Moffat and C. Hristow; review cash position; review and respond to emails.
6/6/2012	Hristow, Catherine	Review Valle accounts receivable summary; review B. Bougie's comments on draft Claims Solicitation Procedure Order; attendance on a conference call with G. Moffat and B. Bougie; correspondence with B. Robb regarding deposits; review legal accounts on the A-Z closing; review Minden Gross reconciliation and email correspondence with T. Dunn regarding same; review schedule of professional fees provided by Valle Foam and segregate those payments made from January 12, 2012 onwards; review RBC bank statements; review Kohrman Jackson & Krantz affidavit; email correspondence with R. Slattery regarding Commonwealth; correspondences with G. Moffat; email correspondence with B. Bougie; continue drafting the Fourth Report of the Monitor.
6/7/2012	Hristow, Catherine	Continue with drafting of the Fourth Report of the Monitor; review revised Claims Solicitation Order and discuss same with G. Moffat; correspondence with R. Slattery regarding projected litigation costs for class action lawsuits; correspondence with T. Dunn regarding claimed outstanding rent issue for Orenda; discussions with S. Damiani regarding accounts receivable collections and account receivable outstanding at the closing dates; email creditor information to R. Brown for inclusion in Ascend; revise affidavit of fees; review statement of receipts and disbursements.
6/7/2012	Damiani, Stefano	Discussion with C. Hristow to update schedule for the Fourth Report of the Monitor, and email regarding same; email correspondence with S. McNeil with respect to Valle Foam accounts receivable; voicemail correspondence with creditor; review Domfoam and Valle Foam sub ledgers and email correspondence to C. Hristow regarding same.
6/8/2012	Margulis, Ilya	Attendance on a telephone call with a creditor regarding A-Z.
6/8/2012	Hristow, Catherine	Telephone attendances with G. Moffat regarding draft Fourth Report of the Monitor and the draft Claims Solicitation Procedure Order; review tax installments for Orenda and revise remaining rent owed; email correspondence and telephone attendance with T. Dunn regarding Orenda rent; correspondence with C. Naudie of Oslers; correspondence with B. Robb regarding outstanding post filing payments; review G. Moffat's comments on the Fourth Report of the Monitor and continue drafting same; correspondence with R. Slattery regarding A-Z bank

Date	Professional	Description
		account activity; review revisions to draft Claims Solicitation Procedure Order; review precedent Claims Procedure Orders and draft affidavit of T. Vallecoccia; review Minden Gross trust account for allocation of funds.
6/11/2012	Brown, Rose	Prepare transfers between accounts and update deposit entries for entry into the general ledger in Ascend.
6/11/2012	Bougie, Robert	Review and comment on revised Claims Solicitation order and forms; initial review and edit of the Fourth Report of the Monitor and discuss same with C. Hristow.
6/11/2012	Hristow, Catherine	Correspondence with B. Bougie and G. Moffat regarding draft Claims Procedure Order; correspondence with T. Dunn regarding reconciliation of accounts and meeting with Fybon; review Orenda correspondence; discussions with B. Bougie; review and comment on revised orders prior to conference call; attendance on a conference call with G. Moffat, D. Ullmann and S. Nassabi; discussion with R. Brown regarding wire transfer information and send same to RBC; analysis of closing proceeds from Minden Gross and allocation of same and professional fees; review updated statement of receipts and disbursements; review correspondence from T. Dunn and B. Preston; review further revisions to court orders based on the conference call; correspondence with D. McNeill; discussions with S. Damiani; continue with revisions to the Fourth Report of the Monitor.
6/11/2012	Damiani, Stefano	Discussion with C. Hristow; update the Valle Foam accounts receivable schedule.
6/12/2012	Tannenbaum, Bryan	Second partner review of the Fourth Report dated June 12, 2012.
6/12/2012	Margulis, Ilya	Dealing with creditor inquiry, direct to website and explain CCAA process.
6/12/2012	Bougie, Robert	Review affidavit of T. Vallecoccia; final review and revisions to report to court; review and edit affidavit of fees; discussions with C. Hristow; telephone discussion with G. Moffat; review and respond to email correspondence.
6/12/2012	Hristow, Catherine	Correspondence with B. Robb regarding professional fees; review comments from S. McNeill regarding deposits; review B. Bougie's comments on Fourth Report of the Monitor and discuss same; discussions with B. Tannenbaum regarding quality review of the Fourth Report of the Monitor; review correspondence from D. Ullmann regarding funds held by the Monitor and funds held by Domfoam and respond to same; review correspondence from D. Ullmann to J. Vincent regarding working capital adjustment, respond to same and subsequent telephone attendance with D. Ullmann; review further email correspondence from D. Ullmann to J. Vincent; finalize Fourth Report of the Monitor and arrange for delivery of same and the exhibits to G. Moffat; review portion of T. Vallecoccia's affidavit and respond to same per D. Ullmann's request; correspondence with B. Bougie regarding working capital adjustment; status update discussion with B. Bougie; discussion with D. Ullmann; attendance at a meeting at Minden Gross with T. Dunn, B. Preston and S. Knapp regarding Valle inventory

Date	Professional	Description
		adjustment; discussion with T. Dunn regarding Orenda; prepare and finalize quality review of the Fourth Report of the Monitor, including exhibits and other information to support same.
6/13/2012	Margulis, Ilya	Dealing with creditor inquiry, direct to website and explain CCAA process.
6/13/2012	Damiani, Stefano	Follow-up email to S. McNeil regarding Valle Foam accounts receivable matters.
6/13/2012	Hristow, Catherine	Discussions with R. Brown regarding accounting matters; correspondence with RBC regarding wire transfer of funds from A-Z; file administration; correspondence with B. Bougie; discussions with A. Zailer regarding updating of website.
6/14/2012	Zailer, Anna	Update website including loading the Monitor's Fourth Report to Court and the Motion Record Returnable June 15, 2012
6/14/2012	Margulis, Ilya	Dealing with creditor inquiry, direct to website and explain CCAA process.
6/15/2012	Zailer, Anna	Further updates to the Monitor's website.
6/15/2012	Brown, Rose	Updating creditors for A-Z Foam; dealing with newspaper notice administration; confirm incoming wires, prepare transfer between accounts and prepare outgoing wire.
6/15/2012	Damiani, Stefano	Discussion with C. Hristow; telephone discussion with Domfoam creditor; draft letter and email same to G. Moffat.
6/15/2012	Hristow, Catherine	Discussion with R. Brown regarding updating of creditors list for A-Z ; review draft newspaper notices with R. Brown and request changes; correspondence with G. Moffat; discussion with S. Damiani regarding Valle accounts receivable letter; correspondence with T. Dunn; review word version of Proofs of Claim from Minden Gross; review correspondence from Minden Gross regarding motion record and discussions with A. Zailer regarding changes to the website; attendance in court regarding the extension of the stay and the Fourth Report of the Monitor; correspondence with B. Bougie; correspondence with M. Whitmer of Kohnman Jackson & Krantz regarding wire information and correspondence with TD Bank regarding same; further discussions with R. Brown regarding newspaper notices and finalize same; instructions for repayment of legal fees to Valle Foam by A-Z and Domfoam; telephone attendance with G. Moffat regarding accounts receivable letter; review Valle Sales Agreement and email correspondence to G. Moffat regarding same; telephone attendance with T. Vallecocchia.
6/18/2012	Zailer, Anna	Uploading and updating the Monitor's website.
6/18/2012	Hristow, Catherine	Various correspondences and reviewing of proofs for TMP Worldwide regarding notices in la Press and the Globe; discussions with A. Zailer regarding notices to creditors and inputting of post filing creditors into Ascend; correspondence with B. Bougie regarding draft instruction letter.
6/19/2012	Bougie, Robert	Review and edit instruction letter to creditors; discussion of claims process with C. Hristow; telephone discussion with G. Moffat.
6/19/2012	Hristow, Catherine	Correspondences and discussion with B. Bougie regarding instruction

Date	Professional	Description
		letter; correspondence with K. Crow of Oslers regarding law firms drawing down on their retainers; correspondence with B. Uysal of the Ministry of Labour; discussion with Linde Canada regarding claims process; correspondence with Commercial Lighting Products; various discussions with A. Zailer regarding Ascend.
6/20/2012	Zailer, Anna	Prepare the creditor mailing for the claims process including drafting the Affidavit of Mailing.
6/21/2012	Zailer, Anna	Update website; verify creditor listing for accuracy of additional creditors; return creditor phone call as per S. Damiani; telephone call to K. Santos of IBM regarding outstanding invoice.
6/21/2012	Hristow, Catherine	Various communications regarding the French notice to be placed in La Press.
6/22/2012	Zailer, Anna	Update the Monitor's French website.
6/22/2012	Damiani, Stefano	Telephone discussion with C. Hristow regarding accounts receivable; review several emails and attachments from S. McNeil, and update the Valle Foam accounts receivable sub ledger.
6/25/2012	Hristow, Catherine	Correspondence with B. Uysal of the Ministry of Labour.
6/25/2012	Damiani, Stefano	Discussions with C. Hristow and prepare analysis of accounts receivable for discussion with legal counsel; email to S. McNeil regarding reconciling items; review emails and attachments from S. McNeil, and update the Valle Foam accounts receivable tracking schedule.
6/26/2012	Hristow, Catherine	Correspondence with G. Moffat; correspondence with A. Wells of Rapid Delivery; correspondence with K. Yuden of Pat Anderson Insurance Group; correspondence with D. Freeman of Byron Holdings.
6/27/2012	Hristow, Catherine	Forward Proofs of Claim to A. Zailer for entry into Ascend; email correspondence to D. Ullmann regarding working capital adjustment for Domfoam; review further adjustment to Valle Foam offer and comment on same; voicemail message to T. Dunn; correspondence to B. Robb regarding outstanding invoices.
6/27/2012	Damiani, Stefano	Review emails and deposit details from S. McNeil, and update the Valle Foam accounts receivable tracking schedule; email to S. McNeil with respect to outstanding deposits.
6/28/2012	Hristow, Catherine	Discussions with C. Baeta regarding cheques to be issued for legal fees and sign same; discussion with B. Bougie regarding class action lawsuits; discussion with S. Damiani regarding reconciliation of accounts receivable and Brentwood set-off; email correspondence with B. Robb; email correspondence with G. Moffat; email correspondence to M. Whitmer.
6/28/2012	Damiani, Stefano	Email correspondence and discussions with C. Hristow; prepare statement of account and email to S. Knapp and S. McNeil of the Purchaser requesting payment; telephone discussion with S. McNeil regarding Valle Foam accounts payable matter, and email correspondence on same; review email from R. DiMaggio of MSC regarding Domfoam, and telephone discussion on same; review email from S. Knapp.
7/3/2012	Damiani, Stefano	Telephone discussion with S. McNeil with respect to Valle Foam

Date	Professional	Description
		collections and supplier matter; email correspondence to C. Hristow; email correspondence with S. McNeil regarding customer inquiry; review emails from S. McNeil and cash reporting attachments, and update the Valle Foam accounts receivable tracking schedule.
7/4/2012	Brown, Rose	Review transfer made on June 15th and prepare schedule for inputting into Ascend.
7/4/2012	Damiani, Stefano	Instructions for R. Brown regarding the claims process; email correspondence to G. Moffat with respect to Valle Foam accounts receivable collections; review email correspondences from G. Moffat and B. Bougie with respect to the Proofs of Claim for class action, and respond to B. Bougie on same; email correspondence to S. McNeil regarding application of customer cheque; update the Valle Foam accounts receivable tracking schedule.
7/5/2012	Damiani, Stefano	Email correspondences with S. McNeil regarding customer deposit and related invoices; email to C. Hristow with respect to instructions to the Valle Foam purchaser with respect to post-closing accounts receivable.
7/6/2012	Damiani, Stefano	Email correspondence to S. McNeil and S. Knapp with respect to go-forward instructions regarding Valle Foam accounts receivable collections; telephone discussion with S. McNeil; emails with S. McNeil and C. Hristow regarding net balance to customer.
7/9/2012	Margulis, Ilya	Review information regarding claims for post filing creditors and discuss with M. McKie and email correspondence to creditor
7/11/2012	Damiani, Stefano	Discussion with C. Hristow; update the Valle Foam accounts receivable tracking schedule; email correspondence to S. McNeil, S. Knapp and B. Robb regarding installment payment and banking details.
7/11/2012	Hristow, Catherine	Correspondence with D. McNeill regarding Baumer; discussion with R. Brown regarding wire confirmation; correspondence with Z. Wise regarding his request for employee information; correspondence with D. Ullmann and T. Dunn regarding insurance refunds and outstanding matters.
7/12/2012	Brown, Rose	Photocopy cheques, deposit funds at the bank and entry of same into Ascend.
7/12/2012	Koroneos, Anna	Discussion with A. Zailer on Proof of Claims received and entry of same.
7/12/2012	Damiani, Stefano	Instructions to R. Brown with respect to Valle Foam cheques and initial review of same.
7/12/2012	Hristow, Catherine	Review correspondence and subsequent discussion with G. Moffat regarding letter from R. Slattery.
7/13/2012	Koroneos, Anna	Preparation of schedule for claims process; initiate review of claims; Review of Valle Foam claim received, enter and comment on admission and requirement for revision where required; review of schedule A (invoices); discussions with C. Hristow.
7/13/2012	Hristow, Catherine	Telephone attendance and email correspondence with T. Dunn; email correspondences with D. Ullmann; correspondence with G. Moffat; meeting with A. Koroneos regarding claims process and reconciliation of same; email correspondence with B. Bougie.

Date	Professional	Description
7/14/2012	Koroneos, Anna	Continue with review and enter claims received to date.
7/16/2012	Koroneos, Anna	Continue with review of claims, enter and comment on status; email to Euler Hermes on Proof of Claim filed not being compatible for process as not the Monitor form; review back up and calls on missing information to perfect claim; telephone call with Danross on correcting claim and review of revised claim for entry.
7/16/2012	Damiani, Stefano	Email correspondence to A. Zailer regarding calls from creditors; email correspondence with S. McNeil of Valle Foam and C. Hristow.
7/16/2012	Hristow, Catherine	Forward claims received by fax and email for entry into Ascend and the claims spreadsheet; correspondence with Court 1 Sporting Equipment regarding the claims procedure; review correspondence from KRG Insurers; discussions with A. Koroneos.
7/17/2012	Hristow, Catherine	Review Valle post filing amounts to be paid and email correspondence to B. Robb regarding same; review correspondence regarding landlord; telephone attendances with G. Moffat regarding insurance refunds; correspondence with T. Dunn; status update with B. Bougie; discussions with A. Koroneos.
7/17/2012	Koroneos, Anna	Review and enter claims filed to date; correspondence with Northwest regarding issues with claim and corrections; calls and emails to creditors who filed claims with issues; update to ascend and schedule;
7/17/2012	Damiani, Stefano	Discussion with C. Hristow and compile supporting documentation for disbursement; review email correspondence from C. Hristow to S. McNeil.
7/18/2012	Koroneos, Anna	Review and entry of claims; meeting with C. Hristow to review claims schedules and claims with issues to date; telephone call with UAP Canada on the release of a creditors listing; discussion with A. Zailer on earlier call by same creditor (Traction); add all post filing invoices to schedule for A-Z; call or email creditors with claims with issues; receipt of requested information from SLH and contract from Superior, review and add.
7/18/2012	Hristow, Catherine	Discussions with A. Koroneos regarding draft claims schedules and specific claims and verification to schedule of claims received by C. Hristow.; email correspondences regarding insurance refunds; correspondence with R. Vithlani regarding claims process.
7/19/2012	Cloutier, Fanny	Translation of claims forms.
7/19/2012	Koroneos, Anna	Review of updated claims and emails sent from creditors with further back up including SLH, CBSC, and new claims to replace De Lage claims filed; email correspondences with Rapid Courier on invoices and review of same; enter new information; update to schedules and reconcile Ascend to schedule; discussion with C. Hristow and review of all claims received to ensure entered; update and reconcile Ascend and claims schedule.
7/19/2012	Hristow, Catherine	Correspondence with T. Dunn regarding Orenda; correspondence with B. Robb; meeting with A. Koroneos to review draft claims schedule and recommendations; review specific claims; review correspondences on insurance refund and telephone attendance with D. Ullmann regarding

Date	Professional	Description
		same and other outstanding matters.
7/20/2012	Brown, Rose	Prepare cheques, attend at the bank regarding deposits and entry of same into Ascend.
7/20/2012	Koroneos, Anna	Review of Proofs of Claim and correspond with those creditors which require updates or amendments to their claims; enter Proofs of Claim into the claims schedule and Ascend.
7/20/2012	Hristow, Catherine	Review correspondence from KRG Insurance Brokers; voicemail message and subsequent email correspondence with D. Ullmann; email correspondences with B. Robb regarding post filing invoices and CRA; correspondence with D. Ullmann regarding Revenue Quebec claim; discussions with A. Koroneos; email correspondence with W. Feldman of Skadden.
7/23/2012	Koroneos, Anna	Discussions/correspondence with various creditors on correcting their claims; review and enter claims as required; emails to all pending claims which had been previously noted for imperfections; review of responses via email and fax.
7/23/2012	Hristow, Catherine	Telephone attendance with T. Vallecoccia and subsequent email correspondence; discussions with A. Koroneos regarding claims; discussion with J. English regarding correspondence.
7/24/2012	Koroneos, Anna	Review and enter claims; formatting of claims schedule and review entries; update program to reflect entered claims; discussion with C. Hristow on claims analysis schedule.
7/24/2012	Damiani, Stefano	Email correspondence with A. Zailer regarding creditor hotline summaries.
7/24/2012	Hristow, Catherine	Meeting with A. Koroneos regarding claims schedule; correspondence with B. Bougie; correspondence with T. Dunn; correspondence with D. Ullmann.
7/25/2012	Koroneos, Anna	Review and enter claims to date; email correspondence/discussions with creditors who are required to amend their claim; discussion with S. Damiani regarding creditor calls.
7/25/2012	Damiani, Stefano	Discussion with A. Koroneos regarding Proofs of Claim; voicemail message to creditor with respect to incomplete Proof of Claim; telephone discussion with Valle Foam creditor (SP Mechanical); email correspondence with C. Hristow and summary of Valle Foam inventory adjustment calculation; summarize Domfoam working capital adjustments and e-mail same to C. Hristow; email correspondences to R. Brown and C. Hristow regarding Valle Foam accounts receivable.
7/25/2012	Hristow, Catherine	Review email correspondence; discussions with D. Ullmann.
7/26/2012	Brown, Rose	Deposit cheques at the bank and entry into Ascend.
7/26/2012	Koroneos, Anna	Review of claims and reconcile actuals; schedule and ascend; review and enter new claims to date.
7/26/2012	Damiani, Stefano	Telephone discussion with Valle Foam creditor; email correspondence with B. Robb with respect to installment for Valle Foam accounts receivable.
7/26/2012	Hristow, Catherine	Review email correspondence; voicemail message to D. Ullmann.
7/27/2012	Brown, Rose	Issue cheques and deposit funds; locate newspaper notice and send to

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Date	Professional	Description
		C. Hristow.
7/27/2012	Koroneos, Anna	Review and amend Revision form; review of amended claim filed by SP Mechanical and Starcom; discussion with A. Zailer on new claims filed; with Henriette from creditors in Boucherville Quebec on claim; prepare draft revisions for review in A-Z and Domfoam; email correspondence with a creditor regarding his claim and email response regarding D&O claim filed; discussion with C. Hristow.
7/27/2012	Hristow, Catherine	Telephone attendance with D. Ullmann; discussion with A. Koroneos regarding claims; meeting with S. Damiani regarding outstanding matters; review statement of receipts and disbursements; review and sign cheques.
7/30/2012	Koroneos, Anna	Review and draft notices of revision/disallowance; review of new claims and enter same
7/30/2012	Hristow, Catherine	Telephone attendance with T. Vallecoccia; correspondence with D. Ullmann; telephone attendance and subsequent correspondence with T. Dunn.
7/31/2012	Brown, Rose	Attend at the bank and deposit funds.
7/31/2012	Koroneos, Anna	Review and enter new claims; telephone call to BC Hydro on their claim and post-filing information; telephone call to Chevron Canada regarding use of incorrect claim form and noting KPMG as proxy.
7/31/2012	Hristow, Catherine	Review correspondence from T. Dunn; review emails for Proof of Claim forms; correspondence with L. Brasil of Branch McMaster.

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Summary of Fees

Professional	Position	Hours	Rate	Fees
Bougie, Robert	Partner	5.5	\$ 650.00	\$ 3,575.00
Tannenbaum, Bryan	Associate Partner	0.8	650.00	520.00
Hristow, Catherine	Senior Manager	80.1	500.00	40,050.00
Damiani, Stefano	Manager	37.1	425.00	15,767.50
Koroneos, Anna	Manager	63.1	425.00	26,817.50
Margulis, Ilya	Senior Associate	0.8	275.00	220.00
Brown, Rose	Trust Administrator	9.6	160.00	1,536.00
Baeta, Cindy	Trust Administrator	5.0	160.00	800.00
Zailer, Anna	Administration	4.4	100.00	440.00
Total hours and professional fees		<u>206.4</u>		89,726.00
Blended hourly rate			\$ 300.91	
Disbursements				
Postage and delivery				696.93
Bell Canada - toll free number				27.48
Translation Services				1,857.06
Mileage				<u>158.30</u>
Total professional fees and disbursements				92,465.77
HST @ 13%				12,020.55
Total Amount Due				\$ 104,486.32

Allocation of fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	40,376.70	1,232.90	5,409.25	47,018.85
Domfoam International Inc. (45%)	40,376.70	1,232.89	5,409.25	47,018.84
A-Z Sponge & Foam Products Ltd. (10%)	8,972.60	273.98	1,202.05	10,448.63
Totals	89,726.00	2,739.77	12,020.55	104,486.32

Payable upon receipt to: Deloitte & Touche Inc.



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

Date: October 10, 2012
Invoice No: 3175761
Client/Mandate No: 921001/1000000
Partner: Paul Casey

Attention: Mr. Paul Casey

HST Registration No: 122893605

Final Invoice for professional services rendered in connection with Deloitte & Touche Inc. acting as Court-Appointed *Companies' Creditors Arrangement Act (R.S.C., 1985, c. C-36)* ("CCAA") Monitor of Valle Foam Industries (1995) Inc. ("Valle Foam") Domfoam International Inc. ("Domfoam") and A-Z Sponge & Foam Products Ltd. ("A-Z") (collectively the "Companies") for the period August 1, 2012 to September 30, 2012.

Date	Professional	Description
8/1/2012	Brown, Rose	Completion of on-going trust account banking administration and deposit.
8/1/2012	Hristow, Catherine	Review email correspondences for proofs of claim and forward same for input into Ascend.
8/2/2012	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/2/2012	Koroneos, Anna	Draft Notices of Revision or Disallowance ("Notices of Revision") for both D&O claims filed in error, and other errors; review of claims received.
8/2/2012	Hristow, Catherine	Email correspondence with B. Robb regarding post filing invoices; review schedule and request additional information; email correspondence and discussion with R. Brown regarding cheque to be issued; review draft letters to J. Vincent from D. Ullmann and respond to same; correspondence with A. Zailer regarding posting of French translation.
8/3/2012	Hristow, Catherine	Review correspondence from D. Ullmann regarding Domfoam working capital adjustment and insurance; review analysis and respond to same.

8/7/2012	Koroneos, Anna	Review and enter claims; telephone call with Gaz Metro on amended claim and review fax; further telephone call with Gaz Metro regarding wrong amendments and review of final POC sent; print Notices of Revisions completed; correspondence/discussions with S. Damiani.
8/7/2012	Damiani, Stefano	Discussion with A. Koroneos regarding post-filing claims and subsequent email correspondence regarding same; review email by A. Zailer regarding status of creditor voicemail messages.
8/8/2012	Koroneos, Anna	Review and enter claims to date and prepare Notices of Revision.
8/9/2012	Koroneos, Anna	Review and enter new claims; review Notices of Revision created and match with claims; telephone call to Husky Oil on pre and post filing claim amounts.
8/9/2012	Koroneos, Anna	Preparation of Notices of Revisions for Montfort and Protection Incendie Roberts; email to A. Zailer on affidavit of mailing for proofs of claims sent to creditors, review affidavit and print for C. Hristow to review.
8/10/2012	Koroneos, Anna	Prepare required Notices of Revision in draft and organize same; enter new claims; reconcile with ascend.
8/10/2012	Hristow, Catherine	Telephone call to reach D. Ullmann.
8/13/2012	Koroneos, Anna	Review and enter claims as received; telephone calls with creditors regarding corrections to be made on their claims and segregate additional Notices of Revision to be prepared; enter claims into Ascend and claims schedule.
8/14/2012	Brown, Rose	Attend at bank to deposit cheque and record same in Ascend.
8/14/2012	Koroneos, Anna	Review email from C. Hristow on issuing Notices of Revision; prepare Notices of Revision for claims not already drafted; review first approved schedule of claims issued to the Debtors and reconcile with Notices of Revision prepared; review and enter claims received.
8/14/2012	Hristow, Catherine	Correspondence with A. Zailer regarding claims.
8/15/2012	Koroneos, Anna	Preparation of Notices of Revisions; review with A. Laiken and finalize and send via registered mail; review and enter new claims; correspondences with C. Hristow.
8/15/2012	Laiken, Adam	Reviewing Notices of Revision with A. Koroneos.
8/15/2012	Hristow, Catherine	Review Claims Order and correspondence with A. Koroneos regarding same; email correspondence to D. Ullmann regarding insurance; review emails for claims and forward same.
8/16/2012	Koroneos, Anna	Correspondence with S. Damiani regarding draft Notices of Revision and finalize same for A-Z and Domfoam.
8/16/2012	Damiani, Stefano	Review Notices of Revision and provide comments to A. Koroneos on same.
8/16/2012	Koroneos, Anna	Prepare and send Notices of Revision; update schedules and enter new claims.
8/16/2012	Hristow, Catherine	Correspondence with Minden Gross regarding claim filed by the government for the competition amounts; correspondence with I. Brasil of Branch Master regarding class action claims.

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8/17/2012	Koroneos, Anna	Finalize and send Valle Foam Notices of Revisions; update schedules.
8/18/2012	Koroneos, Anna	Reconcile schedules of claims and forward same to C. Hristow.
8/20/2012	Brown, Rose	Attend at bank to deposit cheque and record same in Ascend.
8/20/2012	Hristow, Catherine	Telephone attendance with D. Vasalokos of CRA regarding refund for A-Z; correspondence with T. Vallecoccia and B. Robb regarding same.
8/20/2012	Koroneos, Anna	Review of new claims received and organize claims and files; review of schedule sent to C. Hristow for approval.
8/21/2012	Koroneos, Anna	Review and enter claims received and update Ascend and the claims schedule.
8/22/2012	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/22/2012	Hristow, Catherine	Review and sign acknowledgement for insurance proceeds; review and provide comments on release for the Orenda premises; discussions with A. Koroneos; review emails and forward proofs of claim to A. Koroneos for review; review various email correspondence.
8/22/2012	Koroneos, Anna	Review and enter claims provided by C. Hristow; segregate claims with issues and reconcile invoices with claim; discussions with A. Koroneos.
8/23/2012	Hristow, Catherine	Review schedules with A. Koroneos to compare with proofs of claim received and review specific claims; email correspondences with T. Vallecoccia; email correspondence with D. McNeil; review email correspondence for claims; email correspondence with G. Ross; telephone attendance with D. Ullmann; review email correspondence from T. Dunn; review correspondence from G. Ross; review and respond to correspondence from D. Ullmann.
8/23/2012	Koroneos, Anna	Meeting with C. Hristow to review claims and claims schedules; telephone calls and email correspondences to creditors with proof of claims' issues; discussions with SLH on new claim to file and wrong post filing amounts; update schedule with comments.
8/24/2012	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
8/27/2012	Koroneos, Anna	Discussions with C. Hristow and enter new claims; prepare current Domfoam Notices of Revision.
8/27/2012	Hristow, Catherine	Review email correspondences for claims and forward same to A. Koroneos for entry into claims schedule and Ascend and discussions with A. Koroneos regarding same.
8/28/2012	Hristow, Catherine	Correspondence with KRG regarding insurance refunds; correspondence/discussions with A. Koroneos; status update with B. Bougie; review correspondence from D. Ullmann.
8/28/2012	Koroneos, Anna	Filing claims entered and review new claims received; discussions with C. Hristow.
8/28/2012	Koroneos, Anna	Telephone attendance with Ryan of Just Wash It regarding completion of proof of claim; telephone attendance with A. Morganti, counsel for class action claimants.

8/29/2012	Hristow, Catherine	Correspondence with T. Dunn; review proofs of claim received; correspondence with D. Ullmann regarding a claim in Domfoam; discussions with A. Koroneos; telephone attendance with a representative for K. Kroeker; correspondence with Revenue Canada; correspondence with G. Ross; review draft Notices of Revision and provide comments/approval.
8/29/2012	Koroneos, Anna	Discussions with C. Hristow on Notices of Revision; telephone calls and email correspondences with creditors regarding perfecting their claims including Evonik and Chevron; scan and send file claim to Chevron; review and reconcile claims schedule with Ascend, and outstanding Notices of Revision.
8/30/2012	Koroneos, Anna	Discuss with C. Hristow on claims schedules to date; review claims to issue Notices of Revision; finalize Notices of Revisions and send.
8/30/2012	Hristow, Catherine	Review correspondence from K. Kroeker; telephone attendances with creditors; review correspondence from D. Schlesigner of KRG and forward same to D. Ullmann; review correspondence from T. Dunn; meeting with A. Koroneos to review claims schedules, confirmation of claims received and specific claims requiring Notices of Revision.
8/31/2012	Koroneos, Anna	Review emails on claims received as at the claims bar date.
9/2/2012	Koroneos, Anna	Review and enter claims received; prepare Notices of Revision as required; update Ascend and claims schedule.
9/4/2012	Brown, Rose	Completion of on-going trust account banking administration, and disbursement processing.
9/4/2012	Koroneos, Anna	Review of claims filed; finalize Notices of Revision for sending; review claims schedule and reconcile with Ascend; discussions with C. Hristow.
9/4/2012	Hristow, Catherine	Correspondences with R. Slattery; review emails for claims and forward same to A. Koroneos; discussions with A. Koroneos regarding claims schedules; review correspondence from T. Dunn and respond to same.
9/5/2012	Koroneos, Anna	Review of claims filed; finalize Notices of Revision for sending; review claims schedule and reconcile with Ascend.
9/6/2012	Hristow, Catherine	Meeting with A. Koroneos to review all email claims received and compare same to claims schedules; correspondences with G. Moffat; email correspondence with R. Slattery; telephone attendances with G. Moffat; review Ministry of Labour claim and forward same to D. McNeill for review and comment.
9/6/2012	Koroneos, Anna	Prepare and finalize Notices of Revisions for Bell Canada on amended claim and email form again; review of proof of claim from RCAP on lease; reconcile schedule with C. Faria on Notices of Revision and timeline for finalizing; review and sign Notices of Revision.
9/11/2012	Koroneos, Anna	Status update with C. Hristow and forward schedules for review; review email correspondence from C. Hristow and review of amended claims per discussions with creditors.

9/11/2012	Hristow, Catherine	Telephone attendance with D. Schlesinger of KRG regarding insurance; review application materials regarding class action claims; attendance on a conference call with G. Moffat, R. Slattery and D. Ullmann; email correspondence to B. Robb regarding GST filings; correspondence with G. Moffat regarding GST claim for Domfoam; review outstanding claims and request additional information from creditors; correspondence with G. Moffat regarding late filing claims; review and revise draft claims schedules; review Placement Tourwill claim, analyze and correspond with R. Slattery regarding same.
9/12/2012	Koroneos, Anna	Discussion with C. Hristow regarding claims schedules; discussion with D. Moreau on reviewing and noting all revisions on schedule with dates; search Q drive for scanned documents and amended claim for Tourwill; located scanned docs for legal counsel; update register for amended claims.
9/12/2012	Hristow, Catherine	Issue Notices of Revision; discussions with A. Koroneos regarding claims schedules; locate information on D&O claims and corresponding Notice of Revision for A-Z and send to Minden Gross.
9/13/2012	Hristow, Catherine	Review draft release for Domfoam and forward same to G. Moffat; locate D&O claims and corresponding Notices of Revision for Valle Foam and Domfoam and forward same to Minden Gross; discussions with A. Koroneos; revise claims schedules and forward same to Minden Gross; email correspondence to B. Robb regarding post filing claim.
9/14/2012	Brown, Rose	Completion of on-going trust account banking administration and deposit.
9/14/2012	Hristow, Catherine	Review and respond to requests from Minden Gross; review correspondence from D. Ullmann regarding GST claim.
9/15/2012	Hristow, Catherine	Correspondence with B. Robb; correspondence with G. Moffat.
9/17/2012	Koroneos, Anna	Review of claims and discuss with C. Hristow on the same.
9/17/2012	Hristow, Catherine	Telephone attendance with K. Kroeker; email correspondence with A. Lin regarding former employee; email correspondence to B. Robb regarding HST audit; email correspondence with B. Uysal of the Ministry of Labour; email correspondence with D. McNeill; review comments provided by Valle regarding employee claims; correspondence with R. Slattery; review letter from G. Murphy of Milliken; email correspondence with G. Ross; review bank balances; review list of outstanding claims requiring notices of revision; file review; discussions with A. Koroneos.
9/17/2012	Damiani, Stefano	Compile CRA related information and discussions with C. Hristow on same.
9/18/2012	Koroneos, Anna	Review of claims schedule and Linde claim with C. Hristow; issue Notice of Revision and send same to company; review of late filed claim.

9/18/2012	Hristow, Catherine	Correspondence with B. Uysal regarding employee claims; correspondence with D. McNeill regarding employee claims and other matters; correspondence and telephone discussion with T. Dunn; correspondence with G. Moffat; correspondence with D. Ullmann regarding claims review; correspondence with B. Robb regarding post filing invoices and HST; review Gaz Metro claim and various correspondences regarding same; review claims outstanding.
9/19/2012	Koroneos, Anna	Discuss with C. Hristow on final Notices of Revisions.
9/19/2012	Hristow, Catherine	Correspondence with G. Moffat regarding HST; correspondence with D. Ullmann regarding working capital; update Ministry of Labour excel spreadsheet; email correspondence to D. McNeill; review two employee claims and issue Notices of Revision; correspondence with B. Robb regarding post-filing invoices and payment to Samuel; issue notice of partial disallowance to Samuel; discussions with A. Koroneos; review claims schedules for all claims requiring a decision.
9/20/2012	Hristow, Catherine	Correspondence with D. Ullmann regarding working capital adjustments; review letter from Milliken and review prior emails regarding same; email correspondence to Milliken; email correspondence to S. Knapp; telephone call to reach representative of Pitney Bowes; telephone attendance with G. Moffat; review draft Notice of Revision; email correspondence to Minden Gross regarding Notice of Revision and comments on outstanding claims; review email correspondence from T. Dunn and subsequent telephone regarding same; email correspondences to D. McNeill regarding Ministry of Labour claim and Linde Canada; email correspondence to S. DaSilva; correspondences with B. Robb regarding post filing invoices; finalize update on Ministry of Labour claim and issue Notice of Revision; issue Notices of Revision for the class actions for Option Consommateurs, Majestic Mattress, and Hi Neighbor and send via email and facsimile; email correspondence to Superior.
9/21/2012	Hristow, Catherine	Review correspondence from G. Moffat; issue Notices of Revision to Satpanth and Dynasty and send via email and facsimile; discussions with A. Koroneos regarding Notices of Revisions; review correspondence from D. Ullmann regarding Revenue Quebec and forward same to G. Moffat; correspondence with G. Moffat; various email and telephone attendances with T. Dunn and D. Ullmann; prepare and issue Notices of Revision; telephone attendance with S. Normandin; send copies of notices to Minden Gross.
9/21/2012	Koroneos, Anna	Preparation of Notices of Revision; discussions with C. Hristow.
9/24/2012	Brown, Rose	Renew investments.

9/24/2012	Hristow, Catherine	Review revised release and forward same for comments to G. Moffat; telephone attendances with representatives of WorkSafe BC and send Initial Order and other information; telephone attendance and subsequent email correspondence with representative of Pitney Bowes; review and respond to email correspondence from S. Knapp.
9/25/2012	Brown, Rose	Prepare print out of general ledgers for all three accounts and send to C. Hristow and prepare disbursement.
9/25/2012	Hristow, Catherine	Review and approve the July 31st and August 31st, 2012 bank reconciliations; email correspondences with B. Robb; email correspondence and subsequent telephone attendance with S. Knapp; telephone attendance with K. Killip regarding RCAP; telephone attendance with representatives of Yellow Pages; review and sign cheques; email correspondences with G. Moffat; voicemail message for D. Ullmann; review status of accounts receivable.
9/26/2012	Hristow, Catherine	Correspondence with B. Robb; correspondence with G. Milliken; email correspondences and telephone attendance with S. Knapp; correspondence with G. Miller of Milliken.
9/27/2012	Hristow, Catherine	Telephone attendance with D. Ullmann; various email correspondence with S. Knapp.
9/28/2012	Hristow, Catherine	Telephone attendance with B. Aho of Yellow Pages and subsequent email correspondence; review correspondence from D. McNeill and subsequent correspondence with Bell Mobility; email correspondence with L. Putnam of Neopost; voicemail message for D. Vasalokos of CRA.

Valle Foam Industries (1995) Inc.
 Domfoam International Inc.
 A-Z Sponge & Foam Ltd.
 c/o Deloitte & Touche Inc.
 October 10, 2012
 Page 8

Summary of Fees

Professional	Position	Hours	Rate	Fees
Hristow, Catherine	Senior Manager	75.6	500.00	37,800.00
Laiken, Adam	Senior Manager	0.5	500.00	250.00
Damiani, Stefano	Manager	1.5	425.00	637.50
Koroneos, Anna	Manager	76.4	425.00	32,470.00
Brown, Rose	Trust Administrator	4.8	160.00	768.00
Total hours and professional fees		158.8		71,925.50
Blended hourly rate			452.93	
Disbursements				
Postage and delivery				114.48
Bell Canada - toll free number				20.48
Translation Services				2,547.50
Printing				578.61
Total professional fees and disbursements				75,186.57
HST @ 13%				9,774.25
Total Amount Due				\$ 84,960.82

Allocation of fees

Entity	Professional Fees	Disbursements	Taxes	Total
Valle Foam Industries (1995) Inc. (45%)	\$32,366.48	1,467.48	4,398.41	38,232.37
Domfoam International Inc. (45%)	32,366.48	1,467.48	4,398.41	38,232.37
A-Z Sponge & Foam Products Ltd. (10%)	7,192.54	326.11	977.43	8,496.08
Totals	71,925.50	3,261.07	9,774.25	84,960.82

Payable upon receipt to: Deloitte & Touche Inc.

EXHIBIT L

EXHIBIT "L"

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

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

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

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

APPLICANTS

**AFFIDAVIT OF GRANT MOFFAT
(Sworn October 17, 2012)**

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 & Touche 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 June 1, 2012 to September 30, 2012.

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.

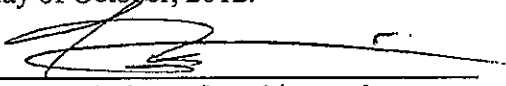
5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

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 17th
day of October, 2012.



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

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Grant B. Moffat

EXHIBIT "A"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

(the "Applicants")

SIXTH BILL OF COSTS OF THE MONITOR

For the period ending June 30, 2012

Jun-01-12	Telephone call with C. Hristow regarding payments by Domfoam in preference period; revise letter to Bayer counsel; review insurance policies; review precedent claims process orders; revise report;	4.30	GBM
	Received instructions from G. Moffat regarding application of s. 36.1 of the CCAA in the absence of a plan of arrangement; commenced work with respect to same;	2.00	SIR
Jun-04-12	Review correspondence regarding payments to Petersen; revise correspondence to Bayer; correspondence with C. Hristow; correspondence with Company counsel; revise Court Report; telephone call with R. Slattery;	3.10	GBM
Jun-05-12	Revise Fourth Report; review correspondence regarding adjustments to purchase price under sale agreements;	1.80	GBM
	Telephone call with R. Slattery regarding funds held at RBC; review draft claims process order;	0.80	GBM
Jun-06-12	Office conference with G. Moffat;	0.30	JTP
	Review draft claims process order; review precedent orders regarding valuation of litigation claims; conference call with R. Bougie and C. Hristow regarding same; revise order; review draft affidavit; review correspondence regarding revisions to report; meeting with J. Porter regarding claims process;	5.60	GBM
	Research regarding a fraudulent preference provisions of BIA;	4.00	SIR
Jun-07-12	Revise claims process order; correspondence with D. Ullman; telephone call with C. Hristow regarding status of outstanding issues for report; revise report; draft notice to creditors and proof of claim form; review correspondence from C. Hristow regarding issues addressed in fourth report; several telephone calls with C. Hristow regarding same; further revisions to report; review correspondence from class action counsel regarding status of Canadian settlement; correspondence with C. Hristow regarding same;	7.60	GBM

	Researching regarding a fraudulent preference provisions of the BIA;	2.70	SIR
Jun-08-12	Review correspondence from class action counsel; further revisions to Fourth Report; revise claims order; telephone call with R. Slattery; further revisions to Fourth Report; telephone call with C. Hristow regarding same; further revisions to Fourth Report;	3.30	GBM
	Telephone call with D. Ullman regarding amendment to claims process; telephone call with C. Hristow (2x) regarding same; review revised order; telephone call with C. Hristow regarding same;	1.40	GBM
	Prepare fee affidavit of G. Moffat and exhibits thereto;	0.60	AF
Jun-09-12	Revise claims process order; correspondence with C. Hristow regarding same;	0.80	GBM
Jun-11-12	Review stay extension order, revise same; telephone call with C. Hristow; further revisions to claim process order and Fourth Report; telephone call with B. Bougie regarding same; telephone call with Company counsel and C. Hristow regarding Monitor's report, claims process and orders sought; revise Fourth Report;	6.40	GBM
	Revise stay extension order; review affidavit regarding sale agreement closing status;	0.40	GBM
Jun-12-12	Review revised report; telephone call with C. Hristow regarding same; review exhibits; telephone call with C. Hristow regarding Domfoam funds; correspondence with D. Ullman regarding same;	2.20	GBM
	Telephone call with B. Bougie regarding funds held by Domfoam; review affidavit and correspondence forwarded from company counsel regarding same; review correspondence from D. Ullman regarding funds held by companies;	1.40	GBM
	Discuss with G. Moffat, compile exhibits to Fourth Report, e-mail to client regarding signed Report and additional exhibits, finalize and compile Fourth Report and prepare same for service and filing, e-mail to Service List, prepare Affidavit of Service, memo to court agent;	2.00	AF
Jun-13-12	Review memo and caselaw regarding preference issues;	0.60	GBM
	Review memo regarding claims not subject to compromise; review caselaw regarding same;	1.40	GBM
	Review correspondence regarding allocation of fees;	0.20	GBM
	Compile Motion Record of the Applicants;	0.30	AF
Jun-14-12	Review order and schedules agreement; revise same; correspondence with D. Ullman regarding required revisions; review correspondence from Bayer counsel; consider same;	0.80	GBM
	Telephone call with B. Bougie regarding claims process motion;	0.20	GBM

Jun-15-12	Telephone call with C. Hristow; draft instruction letter to proof of claim and proof of D&O claim; attend claim process motion; review correspondence regarding document to be sealed; draft D&O claim instruction letter; review accounts receivable collection letter; review initial order regarding same; telephone call with C. Hristow regarding same;	2.40	GBM
Jun-19-12	Telephone call with B. Bougie and C. Hristow regarding instruction letter; review initial order and claims process order regarding same;	0.50	GBM
Jun-25-12	Review correspondence regarding collection of Valle accounts receivable; review sale agreement regarding same; telephone call with C. Hristow regarding same; telephone call with T. Dunn regarding same; telephone call with B. Preston regarding same; review draft correspondence to account debtors; revise same; review initial order regarding same;	2.60	GBM
Jun-27-12	Telephone call with C. Hristow regarding collection of Valle accounts receivable;	0.30	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
John T. Porter	0.30	\$725.00	217.50	
Grant B. Moffat	48.10	\$700.00	33,670.00	
Annette Fournier (Law Clerk)	2.90	\$250.00	725.00	
Sandra Reid (Student)	8.70	\$250.00	2,175.00	
TOTAL FEE HEREIN			\$36,787.50	
HST on Fees			\$4,782.38	
Total Fees and HST				\$41,569.88

Disbursements:

Computer Research	\$39.93	
Photocopies	\$81.00	
Telephone	\$1.02	
Filed Fourth Report of the Monitor	\$27.00	
Total Taxable Disbursements	\$148.95	
HST on Disbursements	\$19.36	
Total Non-Taxable Disbursements	\$0.00	
Total Disbursements and HST		\$168.31
Total Fees, Disbursements & HST		\$41,738.19

OUR ACCOUNT HEREIN **\$41,738.19**

ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-029
 Invoice No. 25732
 Date: Jul 18/12

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

(the "Applicants")

SEVENTH BILL OF COSTS OF THE MONITOR

For the period ending July 31, 2012

Jun-26-12	Telephone call with C. Hristow; telephone call with T. Dunn regarding Valle accounts receivable collections;	0.40	GBM
Jul-04-12	Review claims procedure order; correspondence with C. Naudie regarding filing of proof of claim by Canadian class plaintiffs; correspondence with D. Ullman regarding filing claims by U.S. plaintiffs; telephone call with C. Naudie; correspondence with C. Hristow regarding same; correspondence with C. Naudie regarding notice to creditors; correspondence with C. Naudie; review correspondence from R. Slattery regarding notice to U.S. class plaintiffs; review correspondence from C. Naudie to Canadian class plaintiffs;	3.40	GBM
Jul-09-12	Correspondence to solicitor for former employees regarding claims process; telephone call with R. Slattery regarding claims process; telephone call with solicitor for former employees;	0.80	GBM
Jul-10-12	Review correspondence to Canadian Plaintiffs; review list of U.S. litigants; telephone call with E. Silver (U.S. Class Action counsel); telephone call with C. Hristow; telephone call with R. Slattery; correspondence with U.S. counsel; review draft correspondence regarding claims process;	1.80	GBM
Jul-11-12	Review correspondence from R. Slattery regarding reimbursement of director legal fees; review Initial Order regarding same; review correspondence from solicitor for former employees regarding proving claims; consider issues raised regarding termination, severance and other claims; review caselaw regarding same;	2.80	GBM
Jul-12-12	Correspondence to U.S. plaintiffs regarding claims process; telephone call with C. Hristow regarding legal fees payable to director counsel; correspondence with R. Slattery regarding same; telephone call with B. Bougie;	1.50	GBM

Jul-16-12	Review correspondence regarding employee claims;	0.20	GBM
Jul-17-12	Review correspondence regarding insurance policy premium refunds; telephone call with C. Hristow; review sale agreements regarding entitlement to refunds; telephone call with C. Hristow regarding same; review letter to U.S. plaintiffs;	1.50	GBM
	Discuss with G. Moffat, revise e-mail of July 12, 2012 and review distribution list;	0.30	AF
Jul-18-12	Review correspondence regarding employee claims; telephone call with C. Hristow regarding same; review claims order regarding same; meeting with R. Lewis regarding same;	0.70	GBM
	Meeting with G. Moffat regarding research; research of issue regarding quantum of termination pay;	4.00	RL
	Finalize notice and compile attachments, forward notice to distribution list;	0.80	AF
Jul-19-12	Meeting with R. Lewis regarding employee claims; review caselaw regarding same; telephone call with Z. Wise regarding employee claims;	0.80	GBM
Jul-23-12	Review correspondence regarding fund of insurance premiums and employee claims;	0.20	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Grant B. Moffat	14.10	\$700.00	9,870.00
Rebecca Lewis	4.00	\$350.00	1,400.00
Annette Fournier (Law Clerk)	1.10	\$250.00	275.00
TOTAL FEE HEREIN			\$11,545.00
HST on Fees			<u>\$1,500.85</u>
Total Fees and HST			\$13,045.85

Disbursements:

Facsimiles	\$2.25	
Total Taxable Disbursements	\$2.25	
HST on Disbursements	\$0.29	
Total Non-Taxable Disbursements	<u>\$0.00</u>	
Total Disbursements and HST		<u>\$2.54</u>
Total Fees, Disbursements & HST		\$13,048.39
OUR ACCOUNT HEREIN		\$13,048.39

Thornton Grout Finnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 25855
Date: Aug 15/12

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

(the "Applicants")

EIGHTH BILL OF COSTS OF THE MONITOR

For the period ending August 31, 2012

Aug-14-12	Review Claims Process Order; telephone call with C. Hristow regarding same;	0.40	GBM
Aug-15-12	Review correspondence from class action counsel;	0.20	GBM
Aug-24-12	Email C. Hristow regarding claims process; review correspondence from class counsel regarding same;	0.20	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Grant B. Moffat	0.80	\$700.00	560.00	
TOTAL FEE HEREIN			\$560.00	
HST on Fees			<u>\$72.80</u>	
Total Fees and HST				\$632.80

Disbursements:

Photocopies			\$21.50	
Total Taxable Disbursements			\$21.50	
HST on Disbursements			\$2.80	
Total Non-Taxable Disbursements			<u>\$0.00</u>	

Total Disbursements and HST				<u>\$24.30</u>
Total Fees, Disbursements & HST				<u>\$657.10</u>

OUR ACCOUNT HEREIN \$657.10

ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT
Matter No. 533-029
Invoice No. 25943
Date: Sep 18/12

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

(the "Applicants")

NINTH BILL OF COSTS OF THE MONITOR

For the period ending September 30, 2012

Sep-04-12	Review Dynasty proof of claim;	0.20	GBM
	Review class action proofs of claims;	0.50	GBM
Sep-06-12	Telephone call with C. Hristow regarding class action proofs of claim; review claims process order regarding same; meeting with S. Reid regarding same; review Crown proof of claim regarding GST;	2.30	GBM
	Received instructions from G. Moffat regarding researching and considering the issue of valuing claims; commenced work with respect to same;	0.70	SIR
Sep-07-12	Continue with researching and considering the issue of valuing claims;	2.50	SIR
Sep-10-12	Continue with researching and considering the issue of valuing claims by class action claimants;	4.30	SIR
Sep-11-12	Conference call with R. Slattery and D. Ullman and C. Hristow regarding claims received; telephone call with C. Hristow regarding same; meeting with S. Reid regarding claims process;	1.40	GBM
	Continue with researching and considering the issue of valuing a claim for loss incurred as the result of a breach of the Competition Act under the CCAA; meeting with G. Moffat regarding claim process;	4.60	SIR
Sep-17-12	Review correspondence regarding GST claims; review initial order regarding same; telephone call with C. Hristow (2x) regarding same; telephone call with R. Slattery regarding discussion with class counsel;	1.20	GBM
Sep-18-12	Review correspondence regarding class claims; review same;	0.60	GBM

	Review claims; review disallowances and revisions;	1.40	GBM
Sep-19-12	Office conference with G. Moffat regarding role of Monitor and implications of class action claims being asserted in CCAA proceedings; review background documents;	1.00	JTP
	Review proofs of claim and disallowances; review application record regarding Competition Bureau proceeding and settlement agreements with Canadian class plaintiffs; review Competition Act regarding pleadings regarding damages claims, consider revisions to proofs of claim;	2.80	GBM
	Meeting with J. Porter regarding claims process; review class settlement agreement;	0.60	GBM
	Telephone call with R. Slattery regarding class action claims and revisions; telephone call with C. Hristow regarding same;	0.70	GBM
Sep-20-12	Continue review of background documents including class action settlements and background materials in CCAA proceedings;	1.00	JTP
	Telephone call with C. Hristow regarding disallowance of class action proofs of claim; draft notice of disallowance;	0.70	GBM
Sep-21-12	Continue review of background materials; review of case law in relation to class action claims in the context of CCAA proceedings;	1.50	JTP
	Telephone call with C. Hristow regarding HST payable on intercompany claims; review C. Hristow regarding same;	0.50	GBM
Sep-24-12	Continuing review of documents and consider issues associated with proofs of claim in class action proceedings;	0.80	JTP
Sep-25-12	Complete review of background; office conference with G. Moffat; undertake further review of proofs of loss;	1.20	JTP
	Meeting with J. Porter regarding claims process; review settlement agreement regarding same;	1.00	GBM
	Review Domfoam release regarding settlement of working capital adjustment; correspondence with C. Hristow;	0.20	GBM

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
John T. Porter	5.50	\$725.00	3,987.50	
Grant B. Moffat	14.10	\$700.00	9,870.00	
Sandra Reid	12.10	\$275.00	3,327.50	
TOTAL FEE HEREIN			\$17,185.00	
HST on Fees			<u>\$2,234.05</u>	
Total Fees and HST				\$19,419.05
OUR ACCOUNT HEREIN				<u>\$19,419.05</u>

ThorntonGroutFinnigan LLP

Per: _____

Grant B. Moffat

HST No. 87042 1039RT

Matter No. 533-029
Invoice No. 26034
Date: Oct 12/12

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 June 1, 2012 to September 30, 2012

Invoice No.	Fees	Disbursements	HST	Hours	Average Rate	Total
25732	\$ 36,787.50	\$ 148.95	\$ 4,801.74	60.0	\$613.13	\$ 41,738.19
25855	11,545.00	2.25	1,501.14	19.2	601.30	13,048.39
25943	560.00	21.50	75.60	0.8	700.00	657.10
26034	17,185.00	0.00	2,234.05	31.7	542.11	19,419.05
Totals:	\$66,077.50	\$ 172.70	\$8,612.53			<u>\$74,862.73</u>

EXHIBIT "C"

Billing Rates of Thornton Grout Finnigan LLP

For the period June 1, 2012 to September 30, 2012

	<u>Rate</u>	<u>Year of Call</u>
John T. Porter	\$725	1984
Grant B. Moffat	\$700	1991
Rebecca Lewis	\$350	2011
Sandra Reid	\$275	2012
Sandra Reid	\$250	Student-at-Law
Annette Fournier	\$250	Law Clerk

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF GRANT B. MOFFAT
(Sworn October 17, 2012)

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

Grant B. Moffat (LSUC# 32380L)
Tel: 416-304-0599
Fax: 416-304-1313

Lawyers for the Monitor

EXHIBIT M

EXHIBIT "M"

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.

AFFIDAVIT OF MARY K. WHITMER
(Sworn October 17, 2012)

I, MARY K. WHITMER, of the City of Cleveland, State of Ohio,
United States of America, MAKE THIS OATH AND SAYS AS FOLLOWS:

1. I am a lawyer in good standing in the State of Ohio.
2. I am a partner in the firm of Kohrman Jackson & Krantz P.L.L.,
("KJK") located at 1375 E. 9th Street, Cleveland, Ohio, 44114, lawyers for
Deloitte & Touche 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.
3. Attached hereto as Exhibit A are true copies of the invoice
forwarded to the Monitor by KJK for fees and disbursements incurred by KJK in

the course of the within proceeding for the period April 1, 2012 through September 30, 2012.

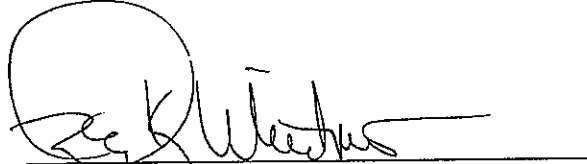
4. Attached hereto as Exhibit B is a schedule summarizing the information in Exhibit A, showing the total billable hours charged, the total fees charged and the average hourly rate charged.

5. Attached hereto as Exhibit C is a schedule summarizing the respective year each lawyer entered the practice of law and billing rates of each of the lawyers at KJK, both of whom acted for the Monitor.

6. To the best of my knowledge, the rates charged by KJK throughout the course of these proceedings are comparable to the rates charged by other law firms in Ohio, and also in the Toronto market for the providing of similar services.

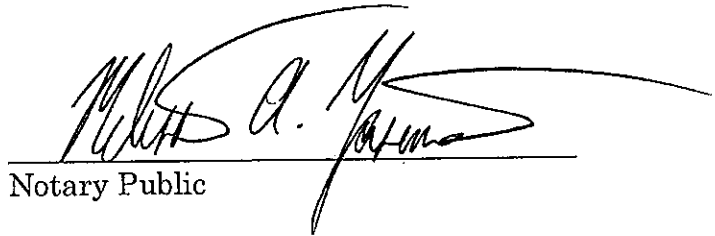
7. The hourly rates outlined in Exhibit C to this affidavit are comparable to the hourly rates charged by KJK for services rendered in similar proceedings.

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



Mary K. Whitmer
Ohio State Supreme Court Bar No. 18213

Sworn to before me and subscribed in my presence, this 17th day of
October, 2012.



Notary Public



MELISSA YASINOW
Attorney At Law
NOTARY PUBLIC
STATE OF OHIO
My Commission Has
No Expiration Date
Section 147.03 O.R.C.



October 17, 2012
 Valle Foam, Domfoam and
 A-Z Sponge & Foam
 c/o Raymond M. Slattery
 145 King Street West, Suite 2200
 MSH 4G2 ,
 Canada

Re: Bankruptcy
 Matter No: 11678.001
 Invoice #: 80221

FOR PROFESSIONAL SERVICES RENDERED:

Through September 30, 2012 \$ 3,001.50

Disbursements 34.87

CURRENT BILL 3,036.37

Previous Balance Due 86,763.24

Payments Received (86,763.24)

TOTAL PREVIOUS BALANCE 0.00

TOTAL BALANCE DUE \$ 3,036.37

----- Attorney Recap -----

Tkpr	Name	Class	Hours	Rate	Amount
JWE	James W. Ehrman	PARTNER	3.60	345.00	\$ 1,242.00
MKW	Mary K Whitmer	PARTNER	5.10	345.00	\$ 1,759.50
			<u>8.70</u>		<u>\$ 3,001.50</u>

ID 34-1440995
 F 216-621-6536
 E bills@kjk.com

One Cleveland Center
 20th Floor
 1375 East Ninth Street
 Cleveland, Ohio 44114-1793
 216-696-8700
 www.kjk.com

Valle Foam, Domfoam & A-Z Sponge & Foam
 Bankruptcy

11678.001

ITEMIZED SERVICES BILL

REGARDING Bankruptcy

<u>Date</u>	<u>Tkpr</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
04/16/12	MKW	Review Canadian Orders. Attention to drafting invoice. Conference with C. Hristow regarding presentation of fee application.	1.10	379.50
04/30/12	MKW	Complete fee application (no charge). Conference with the US Trustee. Research regarding whether the application should be filed in the US Courts. Review docket.	1.00	345.00
05/11/12	JWE	B 011 Review correspondence from R. Slattery, Canadian counsel for Valle Foam, et al., re impact on the U.S. Proceedings if the Canadian proceedings were to transfer from the C.C.A.A. to the BIA; research of law re same.	0.80	276.00
05/11/12	MKW	Review correspondence from debtor's counsel. Research regarding the conversion from one Canadian proceeding to a different Canadian proceeding and the effect on the US filing, and whether an additional US filing will be required.	1.50	517.50
05/12/12	JWE	B 011 Review of U.S. case law for likely ruling in the U.S. Chapter 15 cases if the Valle Foam cases were to be converted from the C.C.A.A. to the BIA.	0.80	276.00
05/29/12	JWE	Telephone conference with R. Slattery re need to refile in the U.S. if the proceeding under the CCAA in Canada becomes a proceeding under the BIA.	0.30	103.50
06/06/12	MKW	Draft Affidavit and provide other information for filing in the Ontario proceedings.	1.50	517.50
06/24/12	JWE	Download the Fourth Report of the Monitor and the Third Order from the Ontario Court Extending the Stay and other pleadings confirming the sale of assets and the solicitation of claims; prepare and file a Notice of Filing of the Fourth Report of the Monitor in the U.S. Bankruptcy Case; draft notice of the third extension of stay.	1.30	448.50
06/25/12	JWE	Review and file Notice of the Third Extension of the Stay (to October 31) in the Canadian Proceedings.	0.40	138.00
Totals			8.70	\$ 3,001.50

Disbursements:

<u>Date</u>	<u>Init</u>	<u>Type</u>	<u>Description</u>	<u>Amount</u>
06/06/2012	JBS	DELIVERY	Outside Delivery/Service Costs Fed-X	34.87
Total Disbursements				\$ 34.87



October 17, 2012
Valle Foam, Domfoam and
A-Z Sponge & Foam
c/o Raymond M. Slattery
145 King Street West, Suite 2200
MSH 4G2
Canada

Re: Bankruptcy
Matter No: 11678.001
Invoice #: 80221

FOR PROFESSIONAL SERVICES RENDERED:

Through September 30, 2012	\$	3,001.50
Disbursements		34.87
CURRENT BILL		<u>3,036.37</u>
Previous Balance Due		86,763.24
Payments Received		(86,763.24)
TOTAL PREVIOUS BALANCE		<u>0.00</u>
TOTAL BALANCE DUE	\$	<u><u>3,036.37</u></u>

REMITTANCE COPY

PLEASE INCLUDE THIS PAGE WITH YOUR PAYMENT

ID 34-1440995
F 216-621-6536
E bills@kjk.com

One Cleveland Center
20th Floor
1375 East Ninth Street
Cleveland, Ohio 44114-1793
216-696-8700
www.kjk.com

EXHIBIT B

**Calculation of Average Hourly Billing Rates of
Kohrman Jackson & Krantz P.L.L.
for the period April 1, 2012 through September 30, 2012**

Invoice No	Fees	Disbursements	Hours	Average Rate	Total
80221	\$3001.50	\$34.87	8.70	345.00	\$3,036.37
Totals:	\$3001.50	\$34.87			\$3,036.37

EXHIBIT C

BILLING RATES OF KOHRMAN JACKSON & KRANTZ P.L.L.

For the period April 1, 2012 through September 30, 2012

Timekeeper	Rate	Entered Practice
Mary K. Whitmer	\$345	1975
James W. Ehrman	\$345	1974

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**

**FIFTH REPORT OF THE MONITOR
DATED OCTOBER 19, 2012**

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

Grant B. Moffat (LSUC# 32380L)
Tel: 416-304-0599
Fax: 416-304-1313

Lawyers for the Monitor, Deloitte & Touche Inc.