

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")

RETURN MOTION RECORD

(Re: Approval of Monitor's Report and Activities)

July 5, 2017

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TO: SERVICE LIST

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Tab	Document
1	Notice of Return of Motion, dated July 5, 2017
2	Draft Order to approve Monitor’s report, conduct and fees

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

ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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(the "**Applicants**")

NOTICE OF RETURN OF MOTION
(Re: Approval of Monitor's Report and Activities)

3113736 Canada Ltd. (formerly known as Valle Foam Industries (1995) ("**Valle Foam**"), 4362063 Canada Ltd. (formerly known as Domfoam International Inc.) ("**Domfoam**"), and A-Z Sponge & Foam Products Ltd. ("**A-Z Foam**") (collectively, the "**Applicants**"), who last appeared on this motion before this Court on June 29, 2017 for an order, *inter alia*, extending the stay of proceedings to November 30, 2017, and approving the report and actions of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc., in its capacity as Court-appointed monitor to the Applicants ("**Monitor**"), will return to Court on Tuesday, July 11, 2017 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario, to seek certain relief originally sought in the motion.

PROPOSED METHOD OF HEARING: This motion is to be heard orally.

THE MOTION IS FOR:

1. an Order substantially in the form contained at Tab 2 of the Applicants' Motion Record, to approve the Monitor's report, conduct and fees; and

2. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

3. on January 12, 2012, the Applicants sought and were granted protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("**CCAA**"), as amended pursuant to the Order of the Honourable Mr. Justice Newbould (the "**Initial Order**").
The Initial Order appointed the Monitor to oversee this CCAA proceeding;
4. the Initial Order granted a stay of proceedings ("**Stay Period**") until February 10, 2012;
5. The Stay Period granted under the Initial Order was subsequently extended for all of the Applicants from time to time by orders of this Honourable Court;
6. most recently, the Stay Period was extended to November 30, 2017, by the Order of the Honourable Mr. Justice Pattillo, dated June 29, 2017;
7. as a result of the sale of assets of the Applicants, Valle Foam changed its name to 3113736 Canada Ltd., and Domfoam changed its name to 4362063 Canada Ltd. The style of cause of these proceedings was changed by the Order of Justice Brown, dated June 15, 2012 to reflect the change of names;
8. the Order of the Honourable Mr. Justice Brown, dated June 15, 2012 established a process to identify pre- and post-filing claims against the Applicants and/or their officers and directors ("**Claims Process Order**");
9. the Meeting Order was approved by the Honourable Mr. Justice Penny on September 6, 2016, accepting Domfoam's Plan of Compromise and Arrangement ("**Plan**") for filing

with the Court and authorizing Domfoam to seek approval of the Plan at the meeting of the creditors (“**Creditors’ Meeting**”);

10. no plan of compromise or arrangement has yet been put forward for Valle Foam or A-Z Foam;
11. the Creditors Meeting was held on October 19, 2016;
12. the Applicants achieved the required statutory “double majority” needed to approve the Plan. Proven Creditors holding 92% in number and 99% in value voted to approve the Resolution in favour of the Plan;
13. the Plan was sanctioned by way of Order from the Honourable Mr. Justice Hainey, dated January 24, 2017;
14. the conditions precedent to Plan implementation have been satisfied or waived, and the Plan has been implemented;
15. the Monitor filed its Plan Implementation Certificate with the Court on June 23, 2017. The Plan Implementation Date is therefore June 23, 2017;
16. the Monitor will carry out a distribution to the creditors of Domfoam within 30 days of the Plan Implementation Date, in accordance with the terms of the Plan;
17. the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
18. Rule 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, RRO 1990, Reg 194, as amended; and

19. Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

20. The Affidavit of Tony Vallecoccia, sworn June 26, 2017;
21. The Sixteenth Report of the Monitor, filed; and
22. Such further and other material as counsel may advise and this Court may permit.

July 5, 2017

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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THE HONOURABLE) TUESDAY, THE 11TH DAY
)
) OF JULY, 2017
)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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(the "**Applicants**")

ORDER
(Approval of Monitor's Report and Activities)

THIS MOTION made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order approving the conduct and fees of Deloitte Restructuring Inc. (formerly Deloitte & Touche Inc.), in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Tony Vallecoccia sworn June 26, 2017 and the exhibits thereto (the "**Vallecoccia Affidavit**") and the Sixteenth Report of the Monitor, dated June 27, 2017, and on hearing the submissions of counsel for Domfoam, the Monitor and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Alexandra Teodorescu sworn July 5, 2017, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Return of Motion and the Return Motion Record is hereby abridged and validated and this Motion is properly returnable today without further service or notice thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meaning set out in the Sixteenth Report.

MONITOR'S REPORT, ACTIONS AND FEES

3. **THIS COURT ORDERS** that the Sixteenth Report and actions, decisions and conduct of the Monitor as set out in the Sixteenth Report are hereby authorized and approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel as set out in the Sixteenth Report, the Affidavit of Paul M. Casey, sworn June 27, 2017, and the Affidavit of Grant Moffat, sworn June 26, 2017, and the exhibits attached thereto, are hereby authorized and approved.

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Proceeding commenced at TORONTO

ORDER

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