

POLYURETHANE FOAM PRODUCTS CLASS ACTION

To Canadian Resident Purchasers of Polyurethane Foam and Polyurethane Foam Products

Notice of Certification/Authorization and Proposed Canadian Settlement with Domfoam, Valle Foam, A-Z Sponge and Certain Individuals

THE LAWSUITS

Class action lawsuits were commenced in Ontario, British Columbia and Quebec ("Actions") against manufacturers or suppliers of polyurethane foam or products containing polyurethane foam, including without limitation foam and products relating to furniture and bedding as well as carpet underlay ("Foam Products"), alleging they conspired to raise, fix, maintain or stabilize the price of Foam Products in Canada, and/or to allocate markets and customers for the sale of those products in Canada. The settling parties include **Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd.** (the "Domfoam Defendants"), as well as Dean Brayiannis ("Brayiannis") and certain additional current and former officers, employees and agents of the Domfoam Defendants (collectively, the "Settling Individuals").

THE PROPOSED SETTLEMENT

A settlement was reached with the Domfoam Defendants and the Settling Individuals. Settlement benefits include payment of \$1.226 million (the "Settlement Proceeds"), assignment of rights in other lawsuits and cooperation in prosecuting the Actions against others. The settlement must be approved by the British Columbia, Ontario and Quebec Courts ("Courts") to be effective.

CERTIFICATION / AUTHORIZATION

The Actions were certified/authorized as class actions for settlement purposes by the Courts in relation only to the Domfoam Defendants and the Settling Individuals that were parties to the Actions. It will be set aside if the settlement is not approved by all the Courts.

THE SETTLEMENT AFFECTS YOUR RIGHTS

If the settlement is approved, it will affect residents in Canada who purchased Foam Products in Canada **between January 1, 1999 and January 10, 2012** ("Settlement Class Period"), except those who opt out of the Actions, the Defendants and certain related parties ("Settlement Class Members").

Under the settlement, Settlement Class Members **RELEASE** the Settling Individuals (including Brayiannis) and other related parties from claims regarding the purchase of Foam Products in Canada in the Settlement Class Period, and commit to discontinue or dismiss certain proceedings as against the Domfoam Defendants and Brayiannis.

The way in which the net Settlement Proceeds will be distributed will be determined at a later date following further settlements with the non-settling defendants in the Actions or the complete resolution of the Actions. The Settlement Proceeds are being held in trust for the benefit of the Settlement Class Members for the time being. Once the Courts have approved the method for distributing the net Settlement Proceeds, another notice will be provided and posted online at FoamClassAction.ca explaining which Settlement Class Members are eligible for direct payment and how Settlement Class Members can apply to receive payment. Settlement Class Members should keep all purchase documents.

SETTLEMENT APPROVAL HEARINGS

The requests to approve the settlement will take place in hearings on **October 25, 2013 at 9:00 a.m. PDI** (British Columbia), **October 25, 2013 at 12:00 p.m. LDI** (Ontario) and **October 28, 2013 at 9:00 a.m. LDI** (Quebec).

THE CCAA PROCEEDING

The Domfoam Defendants were previously granted protection under the *Companies' Creditors Arrangement Act* ("CCAA"). The claims deadline has now passed. All claims against the Domfoam Defendants and certain of the Settling Individuals which were not filed in the CCAA Proceeding have been barred and extinguished. Under the settlement, the Plaintiffs reserved their right to file a claim on behalf of Settlement Class Members in the CCAA Proceeding. The Plaintiffs filed a claim on behalf of Settlement Class Members in the CCAA Proceeding in advance of the claims deadline. The outcome of this claim has not yet been determined.

YOUR OPTIONS

If you do not want to participate in the Actions, you must complete and send an Opt Out Form to the opt out administrator **by October 18, 2013** (the "Opt Out Deadline"). Opt Out Forms are available at FoamClassAction.ca or from the Plaintiff Lawyers. You will keep any right to sue individually (except against the Domfoam Defendants and certain of the Settling Individuals) but will not receive the benefit of this or future settlements or judgments in the Actions.

If you do not opt out of the Actions by the Opt Out Deadline, you will be bound by the settlement and will not be able to opt out of the Actions in the future.

If you have no objection to the settlement and want to continue to participate in the Actions, you do not need to do anything at this time.

To comment on or object to the settlement, you must write to one of the Plaintiff Lawyers **by October 18, 2013**. Comments and objections will be provided to the Courts.

THE PLAINTIFF LAWYERS

- For British Columbia residents:
Branch MacMaster LLP at lbrasil@brannmac.com, and
Campa Fiorante Mathews Mogerman at polyfoam@cmfmlawyers.ca;
- For Quebec residents:
[Belleau Lapointe](mailto:BelleauLapointe@recourscolectif.info) at membres@recourscolectif.info;
- For all others:
Sutts Strosberg LLP at polyclassaction@strosbergco.com

The Plaintiffs entered into contingency agreements with the Plaintiff Lawyers providing for payment of up to 1/3 of amounts recovered in the Actions. The Courts will determine the amount to be paid to Plaintiff Lawyers.

This Notice is a summary. For more information about the settlement, including a list of the Settling Individuals, or to read the settlement agreement, please visit www.FoamClassAction.ca or contact the Plaintiff Lawyers.