



To Our Creditors,

On Friday, March 20, 2009, as a result of the current economic situation and the long running decline in the traditional wallcoverings market, Blue Mountain Wallcoverings regrettably filed for relief under the *Companies Creditors Arrangement Act (Canada)* (sometimes known as "CCAA" or "C-36").

This filing was necessary since, without the protection of the courts, our company would not have been able to meet its obligations to creditors in the short term nor restructure its debts and payables for the future.

Blue Mountain Wallcoverings has an enviable roster of customers and dedicated teams of experienced employees, so the long term prospects for the company are excellent.

Over the next few months, we will prepare a Plan of Arrangement and Compromise that will be presented to our creditors. The Plan of Arrangement and Compromise will be created with the help of our external financial advisors. During this time, no legal action can be taken against the company and we will continue to communicate with our suppliers and partners to make arrangements for the ongoing supply of goods and services on acceptable payment terms.

Rest assured that we will work diligently to develop a Plan of Arrangement and Compromise which will allow us to succeed and continue our business relationship with you.

We thank you for your understanding in these very difficult circumstances.

Yours truly,

Christopher Wood
President and Chief Executive Officer

RSM Richter Inc.

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March 26, 2009

TO: THE CREDITORS OF BLUE MOUNTAIN WALLCOVERINGS GROUP INC., BLUE MOUNTAIN WALLCOVERINGS INC., BLUE MOUNTAIN WALLCOVERINGS CANADA INC. AND BLUE MOUNTAIN WALLCOVERINGS USA INC.

Please take notice that, on March 20, 2009, the Quebec Superior Court (sitting as Tribunal designated under the *Companies' Creditors Arrangement Act* ("CCAA")) issued an Order granting the above-mentioned entities (hereinafter "BMWG") protection under the CCAA. RSM Richter Inc. is the Court-Appointed Monitor during the period the Order is in force.

Please be advised that the Order granted by the Court stays all proceedings against BMWG until April 20, 2009 and thereafter, to the extent necessary an extension of the Order and Stay of Proceedings will be sought. A copy of the Order can be obtained from the website of the Monitor or upon direct request to the latter at the coordinates mentioned below.

At present, creditors are not required to file a Proof of Claim. In due course, we will be forwarding to the creditors a Proof of Claim form together with the Plan of Arrangement yet to be filed by BMWG, as well as convening a creditors' meeting to vote on same.

For any further information, please do not hesitate to contact the undersigned by telephone or by email (bluemountain@rsmrichter.com). We further refer you to our website at <http://www.rsmrichter.com/Restructuring/bluemountain.aspx> for copies of all documents available. Additional information, as it is available, will also be posted to our website.

RSM Richter Inc.
Court-Appointed Monitor



Gilles Robillard, CA, CIRP