



Blue Mountain
WALLCOVERINGS

Blue Mountain Wallcoverings Group

1010 Sherbrooke Street West
Suite 410
Montréal, Québec
H3A 2R7

November 12, 2009

Dear Creditor:

As you may know, on March 20, 2009, Blue Mountain Wallcoverings Group Inc., Blue Mountain Wallcoverings Inc., Blue Mountain Wallcoverings Canada Inc., and Blue Mountain Wallcoverings USA Inc. (collectively "BMWG" or "Petitioners") filed for protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA").

In a continuing effort to provide greater value to creditors of BMWG than would be achieved in a bankruptcy, BMWG has developed a Plan of Arrangement (the "Plan") for its creditors. Enclosed you will find a copy of the Plan and related materials, as well as a copy of a report prepared by RSM Richter Inc., Court-appointed Monitor to BMWG ("Monitor") in connection with the Plan.

Pursuant to the Plan, *if* the Plan is accepted by the required majorities of Unsecured Creditors (as defined in the Plan), Unsecured Creditors have the option to elect to receive payment in the amount of the lesser of their Unsecured Claim and CDN \$1,500 in full and final settlement of all of their Unsecured Claims ("Option 1 Distribution"), provided they complete and return the Election and Voting form (with the Proxy form) by the deadline of December 9, 2009. Alternatively, Unsecured Creditors with who do not elect for Option 1 Distribution on the Election and Voting form will be entitled to receive their *pro rata* share of the balance of the \$3.0 million basket after payment of Crown Claims and distribution to the Unsecured Creditors who elected for the Option 1 Distribution.

As indicated in the attached Notice of Meeting of Creditors, a meeting will be held on December 10, 2009, at 10:00 a.m., at the **Marriott Chateau Champlain** (Salle Viger AB), located at 1050 de la Gauchetière Street West, Montréal, Québec, to consider the Plan and approve same pursuant to the CCAA.

BMWG and the Monitor believe that the Plan is in the best interests of all BMWG Creditors. The only realistic alternative to the Plan is bankruptcy which would result in no recovery to the Unsecured Creditors. BMWG seeks your support and vote IN FAVOUR of the Plan. The Monitor has recommended in its Report that all Creditors vote in favour of the Plan.

To become effective, the Plan must be voted upon and approved by the required majorities (as defined in the Plan) of BMWG's Unsecured Creditors voting on the Plan and approved by the Court. Each creditor's vote is important. *There will be no payout to Unsecured Creditors unless the Plan is accepted, which requires your affirmative vote.* We strongly encourage you to complete, sign, date, and return the enclosed Election and Voting form and Proxy by no later than 5:00 p.m. (Montreal Time), December 9, 2009 preferably by fax or email, or alternatively, by mail or courier.

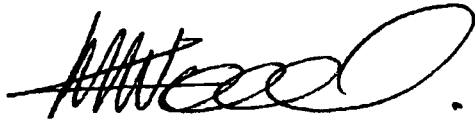
A French version of the Plan is posted on the website identified as www.rsmrichter.com/Restructuring/BlueMountain.aspx or may be obtained by contacting the Monitor, RSM Richter Inc.:

Attention: Ms. Ariella Yedid, CA
Tel: 514.934.3497; Fax: 514.934.8603
E-mail: ayedid@rsmrichter.com

You are urged to review the enclosed materials carefully and to the extent of any inconsistency between the Plan and this letter, the Plan governs. Please note that the Plan may be modified prior to the vote by creditors at the meeting. BMWG will use all reasonable efforts to communicate any modifications to the Plan to its creditors at the meeting of creditors.

Should you have any questions with regard to the Plan, please feel free to communicate with the Monitor as provided for above.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'C. Wood', with a large, stylized flourish at the end.

Christopher Wood
Chief Executive Officer, *Blue Mountain Wallcoverings Group Inc.*

RSM Richter Inc.

RSM Richter Inc.

2, Place Alexis Nihon, Suite 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3497
Télécopieur / Facsimile : 514.934.3504
www.rsmrichter.com

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO 500-11-035903-091

SUPERIOR COURT (Commercial Division)

(Sitting as a Court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36)

IN THE MATTER OF THE PLAN OF ARRANGEMENT OF:

Blue Mountain Wallcoverings Group Inc.

- and -

Blue Mountain Wallcoverings Inc.

- and -

Blue Mountain Wallcoverings Canada Inc.

- and -

Blue Mountain Wallcoverings USA Inc.

Petitioners

RSM Richter Inc.

Monitor

NOTICE OF MEETING

Notice is hereby given that, pursuant to the Initial Order rendered by the Superior Court of Québec on March 20, 2009 (as renewed, amended, and extended) and the claims process Order rendered on September 2, 2009, Blue Mountain Wallcoverings Group Inc. et al have filed on November 11, 2009 a Plan of Arrangement under the terms of the *Companies' Creditors Arrangement Act (R.S.C. (1985), ch. C-36)*.

In this regard, a meeting of creditors of Blue Mountain Wallcoverings Group Inc. et al to consider the Plan of Arrangement will be held on:

December 10, 2009 at 10:00 a.m.

**Marriott Chateau Champlain
1050 de la Gauchetière Street West
(Salon Viger AB)
Montréal, Québec H3B 4C9**

Attendance at the meeting and right to vote will be restricted only to those creditors who had submitted their Proof of Claim to the Monitor by the Claims Bar Date of **October 5, 2009, at 5:00 p.m., Montreal Time**, as per Court Order.

Creditors who have the right to vote during this meeting can accept the Plan of Arrangement as is or as modified at or prior to the meeting. If the Plan of Arrangement is accepted by the required majority and if it is ratified by the Court, it will be binding on all affected creditors.

Your Voting Letter must be remitted to the Monitor before the beginning of the meeting. To facilitate the tabulation of the votes, you may return your Voting Letter prior to the meeting. Facsimile and e-mail transmissions will be accepted. Documents must be forwarded to:

**RSM Richter Inc.,
in its capacity as Court-Appointed Monitor of Blue Mountain Wallcoverings Group Inc. et al.
Attention: Ariella Yedid, CA
Suite 1820
2 Place Alexis Nihon
Montréal, Québec H3Z 3C2
Telephone: (514) 934-3497
Facsimile: (514) 934-8603
Email: ayedid@rsmrichter.com**

DATED AT MONTREAL, this 12th day of November 2009.

RSM Richter Inc.
Court-Appointed Monitor

RSM Richter Inc.

RSM Richter Inc.

2, Place Alexis Nihon, Suite 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3497
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CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-035903-091

S U P E R I O R C O U R T
(Commercial Division)
(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C. 1985, c. C-36)

IN THE MATTER OF THE PLAN OF ARRANGEMENT OF:

Blue Mountain Wallcoverings Group Inc.

-and-

Blue Mountain Wallcoverings Inc.

-and-

Blue Mountain Wallcoverings Canada Inc.

-and-

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-and-

RSM Richter Inc.

Monitor

ELECTION AND VOTING FORM

I/We, (name of creditor) _____

of (address) _____

creditor affected by the Plan of Arrangement:

VOTE (Check one of the following boxes):	CLAIM AMOUNT:
<input type="checkbox"/> IN FAVOR of the acceptance of the Plan of Arrangement;	\$
<input type="checkbox"/> AGAINST the acceptance of the Plan of Arrangement.	\$

ELECT (Check one of the following boxes):
<input type="checkbox"/> OPTION 1 – to receive a single and final distribution in the amount of the lesser of my Unsecured claim and \$1,500 within 30 days of the Sanction Order.
<input type="checkbox"/> OPTION 2 – to receive my pro rata share of the balance of the Basket after payment of Crown claims and OPTION 1 Distributions (50% within three (3) months and 50% within six (6) months of the Sanction Order).

In the event that the Plan of Arrangement is approved by the requisite majority of creditors (defined in the Plan), any Unsecured Creditor who fails to vote and/or to elect for OPTION 1 Distribution, will be deemed to have elected for OPTION 2 for distribution purposes.

DATED AT _____, this _____ day of _____, 200____.

(Name of creditor)

Signature of authorized person or its
authorized representative as per Proxy
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)

NOTES: A creditor may vote either in person, by Voting Letter or by Proxy;

RSM Richter Inc.

RSM Richter Inc.
2, Place Alexis Nihon, Suite 1820
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-and-

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-and-

RSM Richter Inc.

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PROXY

I/We _____
(name of creditor)

of _____
(address)

creditor(s), hereby appoint as my (our) proxy for the meeting of creditors to be held on December 10, 2009 or at any adjournment thereof, the following person:

(name of proxy)

or, if no name is inserted above, RSM Richter Inc., the Court-appointed Monitor.

Note: If a creditor has named RSM Richter Inc., the Court-appointed Monitor, as his/her authorized representative, it is important to note that, in the case that the creditor has not indicated his/her vote on the Election and Voting Form, RSM Richter Inc., as authorized representative, will vote for the acceptance of the Plan of Arrangement. If no proxy is specified, the Monitor is deemed to be the Proxy.

In order to be valid, this proxy must be duly completed and signed, and returned to the Monitor prior to the commencement of the Meeting of Creditors.

DATED AT _____, this _____ day of _____ 200__.

(Name of creditor)

Signature of authorized person
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)