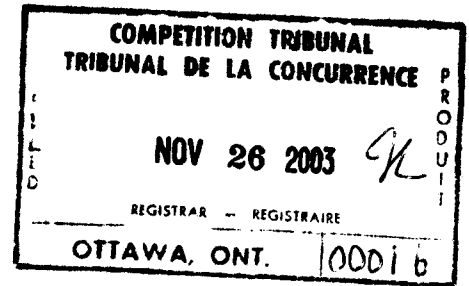


THE COMPETITION TRIBUNAL
File No.: CT-2003-009
Registry Document No.: 0001 b



BETWEEN: A LAN MORGAN AND SONS LTD.

APPLICANT

AND: LA-Z-BOY CANADA LIMITED

RESPONDENT

AFFIDAVIT OF PERRY MORGAN

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TO: The Registrar
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AND TO: Mr. Gaston Jorré
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AND TO: LA-Z-Boy Canada Limited
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COMPETITION TRIBUNAL

File No.:

Registry Document No.:

BETWEEN: ALLAN MORGAN AND SONS LTD.

APPLICANT

AND: LA-Z-BOY CANADA LIMITED

RESPONDENT

AFFIDAVIT

I, Perry Morgan, of Bay Roberts, Newfoundland and Labrador, make oath and say as follows:

A. INTRODUCTION

1. I am the Vice-President of Allan Morgan and Sons Ltd., trading as Morgan's Furniture, the Applicant herein ("Morgan's Furniture"), and, as such, I have knowledge of the matters contained herein except where otherwise stated.
2. I give this Affidavit in support of an application made by Morgan's Furniture for leave to make an application against La-Z-Boy Canada Limited ("La-Z-Boy") pursuant to s. 75 of the *Competition Act*, R.S.C. 1985, c. 34 (the "Act").
3. Morgan's Furniture is a body corporate duly incorporated under the laws of the Province of Newfoundland and Labrador, is in good standing and is owned and operated by the Morgan family of Bay Roberts, Newfoundland. Morgan's Furniture was established in 1957 and has operated since that time as a family business by the Morgan family as a furniture retail store serving primarily the area from Conception Bay North to St. John's, as well as throughout the Avalon Peninsula (the "Area"). Attached hereto as Exhibit 1 to this my Affidavit is a map outlining the Area to which I have referred.

4. The Morgan family has built a successful furniture retail business which is second to none in the Area and which draws a significant clientele from the City of St. John's, which is situated approximately 100 kilometres from Morgan's Furniture store, itself. Morgan's Furniture deals in moderate to high end furniture products. The products it offers to its customers, the service it provides and its reputation, which has been built on a long standing good will, have contributed to the success of Morgan's Furniture.
5. In the 1970's, Morgan's Furniture, then a well established furniture retail store, secured the dealership for La-Z-Boy products. There was never a written contract between Morgan's Furniture and La-Z-Boy other than the individual purchase orders.
6. Over the course of in excess of 25 years, Morgan's Furniture developed a significant market for La-Z-Boy's products, including its recliners, in the Area. In fact, because La-Z-Boy products comprised such a significant portion of Morgan's Furniture's sales, it displayed the La-Z-Boy logo on its storefront and delivery vans for a number of years up to and including the year 2002.
7. Morgan's Furniture kept its account with La-Z-Boy throughout the relationship current and, therefore, obtaining credit was never an issue. As well, Morgan's Furniture was able to meet all trade terms with La-Z-Boy. In turn, La-Z-Boy and Morgan's Furniture have enjoyed a long and mutually prosperous relationship. Accordingly, Morgan's Furniture's loyalty to the La-Z-Boy's product cannot be disputed.
8. Attached as Exhibit 2 to this my Affidavit is a letter dated August 27, 2002 from Mark Wiltshire, Vice-President of Sales and Marketing with La-Z-Boy. The letter advised Morgan's Furniture that La-Z-Boy will terminate its relationship with Morgan's Furniture effective December 31, 2002. While the data respecting the sales of Morgan's Furniture of La-Z-Boy product from 1998 to 2001 is correct, the decline in sales was certainly not a result of Morgan's Furniture's inadequate representation of La-Z-Boy's products or failure by it to promote the same as alleged by Mr. Wiltshire. Rather, the decline in sales was a direct result of La-Z-Boy's restrictions which it had placed upon Morgan's Furniture to obtain

La-Z-Boy product in respect of quantity, style and fabric to fulfill the needs in the marketplace and these restrictions were implemented to the exclusivity of Island Furniture Association ("Island Furniture"), a newly established retail furniture business and primary competitor of Morgan's Furniture.

9. Furthermore, the data for 2002 sales figures is misleading as it is based solely on Morgan's Furniture's orders for the first eight months of 2002. Historically, Morgan's Furniture, as with most furniture retailers, completes only 40 - 50% of its yearly business from January to August. For the remaining four months in 2002, Morgan's Furniture ordered a further 41 pieces of furniture from La-Z-Boy and a number of tag orders. For clarification, "tag orders" were orders made by Morgan's Furniture to fulfill individual customers' orders. Although La-Z-Boy refused to fulfill some of these orders because it was terminating its relationship with Morgan's Furniture, the addition of these orders would have totalled over 100 pieces for the year 2002 and would have been a comparable figure with the other years noted in the letter of August 27, 2002.
10. Until 1997, Morgan's Furniture placed its orders for the purchase of La-Z-Boy products with La-Z-Boy's head office in Ontario. Morgan's Furniture encountered no difficulties up until 1997 in ordering La-Z-Boy products and, in particular, it had no restrictions placed upon it in relation to the type and style of La-Z-Boy products it could obtain.
11. In or about 1997, La-Z-Boy appointed Danny Burbine as La-Z-Boy's representative in Atlantic Canada to replace a Mr. Vandermade. Prior to Mr. Burbine's appointment, Morgan's Furniture placed its purchases for La-Z-Boy products through La-Z-Boy's head office in Ontario. However, subsequent to Mr. Burbine's appointment, Morgan's Furniture was instructed to place its purchases for La-Z-Boy products through Mr. Burbine directly instead of through its head office. From that time until the year 2002, the majority of Morgan's Furniture's dealings with La-Z-Boy was through either Danny Burbine or his assistant, Bonnie Crowley. It was from that time that Morgan's Furniture started to experience restrictions being placed upon it in the product it could obtain from La-Z-Boy. For instance, not only were there restrictions upon the style and fabric which Morgan's Furniture could order, but as well, there were restrictions upon the style and fabric which

Morgan's Furniture could display on its floor. On the latter point, La-Z-Boy introduced a policy which restricted dealers to selling only those styles which it displayed on its store floor. Mr. Burbine restricted Morgan's Furniture from even purchasing certain styles for its "floor model" which, consequently, restricted Morgan's Furniture from marketing and having available to it those particular styles. These restrictions progressively increased which, in turn, increasingly limited the product available to Morgan's Furniture's customers. Consequently, the product Morgan's Furniture could offer to its customers and the market, in general, in the Area was seriously affected. By way of illustration, attached as Exhibit 3 to this my Affidavit is a comparative chart showing the La-Z-Boy product available to Morgan's Furniture for the years from 1998 to 2002, inclusive.

12. In the paragraphs which follow, I shall set out the restrictions, the resulting inability of Morgan's Furniture to obtain adequate supplies of La-Z-Boy products and the consequential and substantial effect which this behaviour has had upon the business of Morgan's Furniture.

B. DIFFICULTY IN OBTAINING PRODUCT INFORMATION

13. Information concerning a supplier's product lines, styles, fabrics, prices and availability is essential in facilitating the retailer to successfully promote, market and sell that supplier's product. Up until 1997, this information was readily available to Morgan's Furniture from La-Z-Boy. However, since 1997, this information became less available to Morgan's Furniture and its ability to obtain this information from La-Z-Boy became most difficult and often impossible.
14. By its letter of April 1, 1997, La-Z-Boy advised its dealers, including Morgan's Furniture, the details of its new product categories, which were supposed to be discussed with Morgan's Furniture in greater detail by Mr. Burbine. Attached as Exhibit 4 to this my Affidavit is a copy of this letter. Notwithstanding requests by Morgan's Furniture, Mr. Burbine never did discuss this matter with Morgan's Furniture or provide Morgan's Furniture with further information on the new product categories.

15. By its letter of July 5, 1999, La-Z-Boy announced to its dealers that there would be manufacturing and distribution changes. Attached as Exhibit 5 to this my Affidavit is a copy of this letter. Of particular concern to Morgan's Furniture was a sentence on page 2 of the letter where it stated "*We have set minimum quantities for a dealer to qualify in each category on a yearly basis.*" The categories noted were (a) Chair Dealer, (b) Motion/Upholstery Dealer and (c) Canadian Home Dealer.
16. After receipt of this letter, Morgan's Furniture asked Mr. Burbine to provide it with the minimum requirements for each category as referred to in the letter. Mr. Burbine would not provide Morgan's Furniture with those requirements, but he assured Morgan's Furniture that its purchases for each category were more than adequate. Morgan's Furniture did not pursue these inquiries further at that time because it was re-assured that its account and performance were acceptable. Morgan's Furniture felt that if it could build a positive relationship with Mr. Burbine and La-Z-Boy, without causing too much disturbance, eventually it would recover the La-Z-Boy styles and fabrics which it lost. As will be seen below, Mr. Burbine later contradicted himself stating that Morgan's Furniture's performance, all round, was less than adequate.
17. Very often La-Z-Boy would restrict Morgan's Furniture's access to list prices of styles available to Morgan's Furniture for retail. Morgan's Furniture needed these lists in order to evaluate the price and appearance of the respective styles and determine which style would best meet the demands of its market. Having this information in advance would aid Morgan's Furniture during its next showroom visit to La-Z-Boy. Without this price list, Morgan's Furniture would be restricted to information that would be given to it by Mr. Burbine and Ms. Crowley at the showroom visit, which information may not be complete. Up until the January 2001 visit, Mr. Burbine and Ms. Crowley advised Morgan's Furniture that there were no new styles and fabrics available to Morgan's Furniture. They further advised that they would provide advice on any additional styles and fabrics that may, in fact, be available to Morgan's Furniture. But this did not always happen. In fact, often Mr. Burbine and Ms. Crowley misinformed Morgan's Furniture on these issues. To reiterate, this price list would give Morgan's Furniture this information in advance.

C. RESTRICTIONS ON ACCESS TO PRODUCTS

18. Perhaps the most damaging action of La-Z-Boy towards Morgan's Furniture was the blatant restrictions it continued to enforce upon Morgan's Furniture since 1997 to availability of its product lines, styles, fabrics, prices and quantity. As stated above, Morgan's Furniture was a valued retailer of La-Z-Boy products for a number of years. In fact, it considers itself as single handedly having built the reputation and market for La-Z-Boy products in the Area, which reputation and market is currently being enjoyed by La-Z-Boy and Island Furniture, Morgan's Furniture's primary competitor.
19. I will discuss below some of these restrictions to illustrate the unfair and prejudicial action taken by La-Z-Boy in this respect.
20. One of the newer collections which had been available to Morgan's Furniture was called the "Signature Division". This product comprises stationary furniture such as sofas, love seats, chairs and sofa beds. Morgan's Furniture had sold the "Signature Division" products since the introduction of this line by La-Z-Boy.
21. On or about September 30, 1997, Morgan's Furniture placed an order with La-Z-Boy which comprised four pieces. Two of the pieces, namely item no. 865 from the "Signature Division", consisting of a sofa and love seat, were pre-sold to one of Morgan's Furniture's customers. La-Z-Boy held the order for 45 days and explained that this was due to a missing digit on the model number on an unrelated item. However, this delay was made without any notification by La-Z-Boy to Morgan's Furniture that there would be a delay in processing the order or that there was a problem with a missing digit. When the delay was finally noticed by Morgan's Furniture, it was too late to reorder the pre-sold items as the customer in question was, by this time, disappointed and disgruntled by the delay and, consequently, cancelled the purchase. Attached as Exhibit 6 to this my Affidavit is a copy of the order form concerning this matter.

22. In or about November 1997, Mr. Burbine informed Morgan's Furniture by telephone that since it had not met the minimum purchase quantity for 1997 in the collection referred to as the "Signature Division," this product was no longer available to Morgan's Furniture. The rationale given by La-Z-Boy was that its policy, which was neither clear nor explained to Morgan's Furniture, determined a dealer's account accessibility by the number of items actually shipped in the given calendar year.
23. The two furniture items noted above in paragraph 21 which had been cancelled as a result of La-Z-Boy's delay in processing, being items no. 865, were from the "Signature Division." When Morgan's Furniture inquired as to the minimum quantity requirement for the "Signature Division," Mr. Burbine refused to provide this information or even to discuss the matter, except to reiterate that the "Signature Division" was no longer available for display or sale to Morgan's Furniture. Morgan's Furniture, as of that time, had been selling La-Z-Boy product for about 25 years.
24. Attached as Exhibit 7 and Exhibit 8, respectively, to this my Affidavit, are facsimiles dated November 14, 1997 and November 19, 1997, respectively, from Morgan's Furniture, addressing the cancellation of items no. 865.
25. Concerning another style, namely style no. 506, I attach as Exhibit 9 to this my Affidavit a facsimile dated September 30, 1997 from Bonnie Crowley and a facsimile dated October 1, 1997 from Morgan's Furniture, both of which relate to a mechanism for style no. 506.
26. Morgan's Furniture requested information on the new mechanism for this style, which had been a very popular selling style for Morgan's Furniture over the past years. Ms. Crowley replied to Morgan's Furniture's inquiry by advising that style no. 506 had been discontinued. The discontinuance of style no. 506 had a significant negative effect upon the sales of Morgan's Furniture, since, as stated above, this style had been a popular selling style for Morgan's Furniture. However, by La-Z-Boy's letter of June 4, 2002 to La-Z-Boy dealers, attached as Appendix 10 to this my Affidavit, it became evident to Morgan's Furniture that style no. 506 was never discontinued, but was still available to La-Z-Boy dealers.

27. Morgan's Furniture, but for the letter of June 4, 2002, would not have known that style no. 506 was still available because La-Z-Boy, through Mr. Burbine and Ms. Crowley, would not provide Morgan's Furniture with a complete list of available styles to Morgan's Furniture, as had been requested by Morgan's Furniture on several of occasions. Since La-Z-Boy's letter of June 4, 2002, Morgan's Furniture has learned that after La-Z-Boy removed style no. 506 from those styles available to Morgan's Furniture, style no. 506 was made available exclusively to its competitor, Island Furniture.
28. Attached as Exhibit 11 to this my Affidavit is a copy of Morgan's Furniture's five page order no. 1044515, dated August 9, 1999. This order was in the approximate amount of \$49,000.00. It is noted that there are a significant number of pieces ordered under style no. 554. This order was sent directly to La-Z-Boy. The first two pages of the document attached as Exhibit 12 to this my Affidavit is the acknowledgement and confirmation issued directly from La-Z-Boy dated August 10, 1999, of all items respecting order no. 1044515, including items of style no. 554.
29. After receiving the acknowledgement and confirmation of this order from La-Z-Boy, Morgan's Furniture was then able to confirm to its customers that the furniture which they had ordered would be available in time for Christmas. Then on August 18, 1999, Morgan's Furniture received a letter from Sonia Sgarbossa of La-Z-Boy, advising that all Morgan's Furniture's orders must be placed through the sales and marketing consultant of La-Z-Boy designated for Morgan's Furniture, being Mr. Burbine. Furthermore, Morgan's Furniture was advised that all of its orders for style no. 554 were cancelled and would not be produced. This was a reduction of Morgan's Furniture's order by \$24,000.00. Attached as Exhibit 13 to this my Affidavit is a copy of Ms. Sgarbossa's letter.
30. Confused over the wording of the letter from Sgarbossa, Morgan's Furniture wanted clarification that style no. 554 was no longer produced by La-Z-Boy. Attached as Exhibit 14 to this my Affidavit is Morgan's Furniture's facsimile dated August 19, 1999 to Ms. Sgarbossa requesting this information.

31. Ms. Sgarbossa responded with her letter of August 20, 1999, attached as Exhibit 15 to this my Affidavit, advising that style no. 554 had not been cancelled by La-Z-Boy, but that Mr. Burbine had made the style exclusive to another account, later to be identified as Island Furniture. Attached as Exhibit 16 to this my Affidavit are copies of the revised acknowledgment and confirmation from La-Z-Boy, cancelling all of style no. 554 orders placed by Morgan's Furniture.
32. In an attempt to have these orders reinstated for its customers, Morgan's Furniture pursued its inquiry concerning style no. 554 by way of written correspondence to Ms. Crowley and Mr. Burbine. Attached as Exhibit 17 to this my Affidavit is Morgan's Furniture's facsimile of August 27, 1999, which was resent September 27, 1999, respecting this issue.
33. Morgan's Furniture wanted another issue addressed by Ms. Crowley and Mr. Burbine which concerned the inability of Morgan's Furniture to obtain price information on various chair and sofa styles. This was raised as well in the August 27, 1999 correspondence noted above.
34. Morgan's Furniture never received a reply to their facsimile dated August 27, 1999.
35. Prior to this incident involving style no. 554, La-Z-Boy's order desk would readily provide Morgan's Furniture information, upon request, concerning the status of its orders. However, subsequent to August, 1999, the order desk would no longer provide such information to Morgan's Furniture.
36. By its letter of September 7, 1999 to La-Z-Boy, attached as Exhibit 18 to this my Affidavit, Morgan's Furniture requested clarification on specific issues of exclusive styles, particularly the removal of style no. 554; new order procedure, particularly with respect to the delays in forwarding Morgan's Furniture's orders; the non-availability of fabric lists to Morgan's Furniture and the possible result in reduced tag orders which comprised a large part of Morgan's Furniture's business (Island Furniture, on the other hand, had unlimited fabric samples available of varying grades); whether new leather/fabrics were exclusive to gallery accounts and the negative effect which this decision may have upon furniture sales of

Morgan's Furniture; and the exclusion of Morgan's Furniture from all La-Z-Boy promotions after 25 years of service. To reiterate, for clarification "tag orders" were orders made by Morgan's Furniture to fulfill individual customers' orders.

37. La-Z-Boy responded to Morgan's Furniture's letter of September 7, 1999 with its letter of September 27, 1999, attached as Exhibit 19 to this my Affidavit. While this letter is self explanatory, it confirms that style no. 554 was not exclusive to gallery stores; that orders containing correct information will be processed quickly; Morgan's Furniture will be kept up to date on fabric swatches; all leather fabrics, except JL series, are available to Morgan's Furniture; and Morgan's Furniture has not been excluded from La-Z-Boy promotions, the latter will be discussed further below.
38. Morgan's Furniture responded with its letter of September 27, 1999 inquiring, among other things, that if style no. 554 is not exclusive to gallery stores, why was this style deleted from Morgan's Furniture's August order. It was noted by Morgan's Furniture that style no. 554 has been its best seller in the previous two years. Attached as Exhibit 20 to this my Affidavit is a copy of this letter.
39. While no formal reply was provided, Morgan's Furniture was advised that its previous orders for style no. 554 would be honoured and, therefore, it should place a new order to reorder the same. This order was initially placed on August 9, 1999 (see Exhibit 13). Later, when it was confirmed by Mr. Burbine that the order would not be processed in time for Christmas delivery, Morgan's Furniture's customers cancelled their orders, advising that Island Furniture could guarantee Christmas delivery for their orders. Consequently, Morgan's Furniture was forced to amend the original order by virtue of its Purchase Order No. 1058664 dated November 4, 1999, which amendment reduced the quantity of the order, itself, considerably. Attached as Exhibit 21 to this my Affidavit is a copy of Purchase Order No. 1058664.
40. In 2001, one of Morgan's Furniture's customers wanted to purchase a style no. 554 sectional set in leather. The leather selected was La-Z-Boy's new "G" grade leather. Upon inquiry by Morgan's Furniture of the shade of the color selected by the customer, Ms.

Crowley informed Morgan's Furniture that La-Z-Boy could not guarantee that the leather used in the individual sectional pieces would match. Consequently, the customer cancelled the order.

41. I refer to Exhibit 22 attached to this my Affidavit, in this respect.
42. Attached as Exhibit 23 to this my Affidavit is a copy of an invoice dated July, 2001 respecting the order of style no. 554 console unit which Morgan's Furniture did not have on display. Morgan's Furniture did, however, have on display other pieces of furniture from the number 554 style . Until April 26, 2002, it was never a problem to place such an order with La-Z-Boy.
43. Morgan's Furniture, by its order form no. C1304490, dated April 26, 2002 placed a similar type of order for style no. 554 collection. Attached as Exhibit 24 to this my Affidavit is a copy of that order.
44. From this order, an issue arose between Morgan's Furniture and Ms. Crowley as to whether Morgan's Furniture was allowed to order the sectional piece from the style no. 554 collection. Ms. Crowley emphatically denied Morgan's Furniture's order, indicating that because Morgan's Furniture did not stock that particular sectional on its floor, this piece was not available to Morgan's Furniture for retail.
45. In the meantime, Morgan's Furniture placed another order which was for thirteen La-Z-Boy recliners in basic model and fabric. Attached as Exhibit 25 to this my Affidavit is this order dated April 26, 2002. On this order, Morgan's Furniture requested the pricing of style no. 554 sectional pieces for floor stock, grade D fabric. As well, and in response to Ms. Crowley's denial to fulfil order no. C1304490, it requested a letter from La-Z-Boy setting out style, floor stock and price list policy concerning the no. 554 sectional.
46. Having received no reply, on May 1, 2002, Morgan's Furniture wrote to La-Z-Boy inquiring into the status of the above order no. C1304490 and whether the order had, in fact, been declined. Morgan's Furniture sought clarification as to the unavailability of the no. 554

sectional from La-Z-Boy. Attached as Exhibit 26 to this my Affidavit is a copy of this letter. In response, on May 3, 2002, La-Z-Boy provided Morgan's Furniture with a hand written note explaining that the requested fabric was exclusive to galleries, and that the no. 554 sectional was not available to Morgan's Furniture, despite the fact that Morgan's Furniture had displayed this style in its store. I refer to Exhibit 27 attached to this my Affidavit which is a copy of Ms. Crowley's hand written note to this effect.

47. Consequently, Morgan's Furniture was forced to cancel the customer's order and send her to Island Furniture, where the sectional in question could be provided.
48. On April 11, 2002, Morgan's Furniture ordered five pieces of the no. 554 style recliner in leather G1746209 from La-Z-Boy. Upon delivery of these pieces, Morgan's Furniture discovered extreme dye lot/colouring differences in the leather sections on individual furniture pieces. Although Morgan's Furniture was advised by Ms. Crowley of La-Z-Boy that there were dye lot variations, and, consequently, all furniture pieces may not match, Morgan's Furniture was not told that the individual panels of leather on one item might not match another panel on the same item. Morgan's Furniture sent a fax to Mr. Burbine, on September 10, 2002, explaining the situation and requesting advice. To date, no response has been received. Attached as Exhibit 28 to this my Affidavit is Morgan's Furniture's letter of September 10, 2002, together with other materials relating to this issue.
49. Attached as Exhibit 29 to this my Affidavit is a La-Z-Boy price list which shows style #554 and available fabric and leather grades for that particular style. Fabric A-D, and Leather BL-HL were the only available options to Morgan's Furniture. Morgan's Furniture had no knowledge that the higher grade fabric was available to it until April 18, 2001, when it requested fabric seen at the January 2001 show and requested eight samples. Had Morgan's Furniture known of the higher grade availability at the January, 2001 show, it would have chosen a selection of fabric samples from all grades, rather than take only the lower grade samples which Mr. Burbine provided to Morgan's Furniture at that time.
50. Apart from style no. 554, other La-Z-Boy styles were gradually being restricted from Morgan's Furniture. I will discuss some of them below.

51. La-Z-Boy had a model recliner which had a lift chair mechanism (which I shall refer to as a lift chair recliner) to allow individuals to get into and out of the chair with ease. The chair lift mechanism lifted the individual into and out of a sitting position. This was done by way of an automatic motor. Because these chairs are specialized for specific needs, they are not sold at high volume as with other styles of products offered by La-Z-Boy. However, the lift chair recliner was a product which Morgan's Furniture was able to market to its customers.
52. One of Morgan's Furniture's customers, a Mr. Leshane, had purchased a lift chair recliner from Morgan's Furniture. Mr. Leshane was terminally ill and found that the recliner which he purchased allowed him comfort away from the bed and the ability to get in and out of the chair with ease through the chair lift mechanism.
53. Mr. Leshane's chair was in need of parts for repair to the chair lift mechanism. Without these parts, Mr. Leshane was unable to use his lift chair recliner. Morgan's Furniture was anxious to obtain the parts from La-Z-Boy as soon as possible and advised La-Z-Boy briefly of the circumstances on its order form no. C1058693, dated October 27, 1999, attached as Exhibit 30 to this my Affidavit.
54. Through its conversations with Ms. Crowley, Morgan's Furniture was unable to convince her to place a rush on the parts or to give Morgan's Furniture a precise delivery date. In this respect, I refer to Ms. Crowley's letter of November 3, 1999 attached as Exhibit 31 to this my Affidavit. In an effort to process the service order expeditiously, Morgan's Furniture contacted a "Randy" at La-Z-Boy's service center on or about November 1, 1999, who advised that Morgan's Furniture's order for the parts was not even in the system for processing as previously suggested by Ms. Crowley. "Randy" located the parts in the Canadian head office and shipped them to Morgan's Furniture on November 5, 1999. Relating to this matter, I refer to Exhibit 32 and Exhibit 33 attached to this my Affidavit.
55. Mr. Leshane passed away two months later.

56. In or about November, 1999, Mr. Burbine advised Morgan's Furniture that the reclining wing back chairs (for example, no. 28-947, no. 29-433, no. 29-974, no. 29-953, no. 24-429) were no longer available to Morgan's Furniture for display or sale due to the minimum quantities requirements set by La-Z-Boy. Again, this was a product which Morgan's Furniture had been selling for a number of years and was a popular item with its customers.
57. Attached as Exhibit 34 to this my Affidavit is order form C1058872, dated December 1999. This order was for two no. 10-411 recliners. However, Ms. Crowley responded by cancelling the order as she claimed that Morgan's Furniture did not display that style. Morgan's Furniture re-sent the order form with the note attached advising that a floor model was, in fact, displayed for which they were reordering, as well as a second recliner, which was a tag order for its customer.
58. This order was later filled.
59. At the January 2000 furniture show, Morgan's Furniture was advised by Mr. Burbine that in addition to losing the display access to wing back recliners, the lift chair no. 011598, like that sold to Mr. Meshane, and another display style were also excluded from Morgan's Furniture.
60. Attached as Exhibit 35 to this my Affidavit is an order by Morgan's Furniture dated September 13, 2001 for 18 rocker recliners. The order was apparently held on Ms. Crowley's desk until October 16, 2001 before it was entered on La-Z-Boy's system. Morgan's Furniture was advised that the delay was due to its own mistake in ordering a fabric for the 05-230 recliner which was not suitable for the style. Morgan's Furniture was advised that in order to change the order to read 05-230 with A7503 fabric and 05-512 with the A7174 fabric the order, already inputted in the system would have to be cancelled, causing further delay of the product delivery. As the styles and fabric grades were mostly for promotional purposes, Morgan's Furniture, not being given a delivery date, could not take a further risk in delay. Consequently, it was not able to promote the low La-Z-Boy starter price of recliners at \$399.00 for the last quarter of 2001. As a further consequence, Morgan's Furniture ended up with most of its La-Z-Boy stock unsold at the start of the new

year 2002. Morgan's Furniture mostly sells middle to high end priced furniture and the majority (approximately 50%) of its total sales are completed in the months of September, October, November and December. Morgan's Furniture, consequently, could not submit an order for the January 2002 show.

61. Attached as Exhibit 36 to this my Affidavit is a letter from La-Z-Boy, dated June 4, 2002 regarding the promotion and sale of leather items. Specifically, the letter addressed the huge success of two leather chair promotions. Neither of the two promotions were disclosed to Morgan's Furniture. As I have noted previously, Morgan's Furniture had been advised by La-Z-Boy in an earlier correspondence in 1997, attached hereto as Exhibit 6, that the style of recliner in the promotion (no. 506) had been discontinued by La-Z-Boy. This evidently was false.
62. Style no. 05-230 had been Morgan's Furniture's most popular promotional model for 10 years. While it is the lowest priced recliner, it is still comfortable. La-Z-Boy restricted the 05-230 style to the fabric grades of C and D for this recliner. Consequently, this restriction to fabric selection eliminated this style as a promotional piece for Morgan's Furniture. Morgan's Furniture was neither advised by La-Z-Boy in advance of this restriction, nor did La-Z-Boy provide Morgan's Furniture with a substituted promotional style.
63. After the January 2000 meeting with Mr. Burbine noted above in paragraph 59, Morgan's Furniture's showroom visits were merely the procedure of dropping off already prepared orders rather than viewing the new styles produced by La-Z-Boy. Morgan's Furniture was told that it could not pick just any style from the full motion collection to display on its floor, but rather, it would be advised by Mr. Burbine of what styles were available to it for display, as Morgan's Furniture was told by La-Z-Boy that it had no previous sales history with other styles, notwithstanding that those styles were restricted from Morgan's Furniture. The only fabrics available to Morgan's Furniture were in their swatch samples already in the store. While new fabrics were to be sent to Morgan's Furniture by La-Z-Boy, no fabrics with a grade higher than D were actually sent. Morgan's Furniture was denied access to certain portions of La-Z-Boy's showroom, thus, limiting its availability to view and choose selected coverings being displayed on La-Z-Boy product. This, in fact, is one of the main purposes

upholstery dealers, such as Morgan's Furniture, travel at least once a year to Toronto to visit these show rooms.

64. Attached as Exhibit 37 to this my Affidavit is a copy of a letter dated December 21, 1999 from La-Z-Boy. As stated therein, Morgan's Furniture would now only get prices and catalogue sheets for product which it had supported in the past, meaning that Morgan's Furniture was only allowed to purchase styles which it had on its floor. Consequently, Morgan's Furniture could no longer sell the lower volume styles from the catalogue which was a small but meaningful percentage of its store's sales. However, more problematic was that La-Z-Boy drastically limited Morgan's Furniture's ability to purchase and display high volume styles. It was apparent that the new popular styles and fabrics became exclusive to the gallery account as well.
65. By its memo of January 10, 2000, attached as Exhibit 38 to this my Affidavit, La-Z-Boy indicated to its sales and marketing consultants to only "*supply current dealers with the product that they have supported in a significant way in the past*". Effectively, Morgan's Furniture was to have no access to new styles, no input into which fabric swatches it could have, no access to quality advertising material and no access to products available to it.
66. La-Z-Boy increasingly made it difficult for Morgan's Furniture to sell La-Z-Boy products to its customers. Due to "surprise" cancellation of tag orders by La-Z-Boy, Morgan's Furniture was losing the confidence of its customers as it could not fill the orders for product which Morgan's Furniture advised the customers it could sell. By way of example, Morgan's Furniture placed a tag order for one of its customers in or about early fall 2000 for a style and fabric which it carried in that store and which Morgan's Furniture understood it could sell. After the tag order was placed, Ms. Crowley cancelled the order advising Morgan's Furniture that the fabric was no longer available to Morgan's Furniture. This fabric, however, was available to Island Furniture, Morgan's Furniture's competitor. It was not until the order had been placed that La-Z-Boy notified Morgan's Furniture that the fabric was excluded from Morgan's Furniture's fabric line, notwithstanding prior opportunities which La-Z-Boy had to bring this to Morgan's Furniture's attention. Consequently, Morgan's Furniture had to cancel its customer's order.

67. Attached as Exhibit 39 to this my Affidavit is a copy of Morgan's Furniture's facsimile to La-Z-Boy of October 28, 2000 complaining about this development.
68. Up until April 18, 2001, Morgan's Furniture was given the understanding from La-Z-Boy, by virtue of its new policy, that Morgan's Furniture had access only to lower grade fabric samples. Hence, Morgan's Furniture was led to believe by La-Z-Boy that it could not promote higher grade fabrics to its customers.
69. By its facsimile of April 18, 2001, Morgan's Furniture requested eight fabric swatches. Morgan's Furniture was advised that only six of the eight swatches were available to it and that it had to pay \$4.50 for each swatch. Attached as Exhibit 40 to this my Affidavit is a copy of this facsimile with La-Z-Boy's reply attached respecting the availability and price of swatches.
70. This was the first time, since the commencement of La-Z-Boy's new policy, that Morgan's Furniture had access to high grade fabrics. It was hoped by Morgan's Furniture at that time that this new but very limited access to the newer higher grade fabric samples was the beginning of a return to the positive working relationship which it once enjoyed with La-Z-Boy. Unfortunately, this was not to be the case.
71. As well, in April 2001, it was the first time ever that a supplier charged Morgan's Furniture for its swatches. Attached as Exhibit 41 to this my Affidavit is a copy of the invoice for the said swatches.

D. RESTRICTIONS ON ADVERTISING AND PROMOTIONAL CAMPAIGNS

72. Not only were there restrictions in access to product, but as well La-Z-Boy placed restrictions upon the type of advertisements which Morgan's Furniture could use to promote and market La-Z-Boy products, and the product promotional campaigns in which it could participate. These actions by La-Z-Boy placed Morgan's Furniture at a disadvantage to its

competitor, Island Furniture, who had no restrictions in the marketing and selling of La-Z-Boy products.

73. In its letter of January 16, 1998 to La-Z-Boy dealers, La-Z-Boy explained that because sales by the dealers overall were not good in 1997, as a cost cutting measure, La-Z-Boy's co-op advertising program would be discontinued as of January 1, 1998. The money spent in that program would now be redirected to fliers and "P.O.P."
74. Morgan's Furniture makes two points in reaction to this decision. Firstly, in 1997, Morgan's Furniture's sales for La-Z-Boy product was healthy. Secondly, Morgan's Furniture was neither aware of any new advertising program offered by La-Z-Boy, nor provided with any physical advertising assistance. However, Morgan's Furniture has since learned that assistance in relation to advertising style and material was provided to Island Furniture, Morgan's Furniture's competitor.
75. La-Z-Boy, in its letter of August 27, 2002 to Morgan's Furniture, stated that Morgan's Furniture "*inadequately represented*" La-Z-Boy's product "*and failed to promote them effectively*" in "*the store*". It is implied by La-Z-Boy that this resulted in Morgan's Furniture's low sales of La-Z-Boy products.
76. Attached as Exhibit 42 to this my Affidavit is a sample of the advertising which Island Furniture used. These new types of family picture ads were never made available to Morgan's Furniture by La-Z-Boy. The only ads which La-Z-Boy made available to Morgan's Furniture were pictures of the La-Z-Boy product. Morgan's Furniture asked Mr. Burbine on a number of occasions for access to the family moments type advertising but was always told by Mr. Burbine that La-Z-Boy policy denied Morgan's Furniture access to this type of advertising. However, despite Morgan's Furniture's requests, neither Mr. Burbine nor La-Z-Boy would explain to Morgan's Furniture what this policy was and how it applied to Morgan's Furniture's access only to less than stylish advertising.

77. In 1998, La-Z-Boy, through its dealers, offered to the retail customers of its dealers, the chance to enter a sweepstake contest and win prizes. No purchase was necessary by the customers.
78. Attached as Exhibit 43 to this my Affidavit is a copy of the details of the contest as shown on La-Z-Boy's website. Page 2 of that website provides a list of La-Z-Boy dealers in various provinces, including Newfoundland, who are considered dealers of La-Z-Boy product where customers can visit to take part in the contest. It is noted that Morgan's Furniture, La-Z-Boy's oldest dealer in Newfoundland, did not appear on that list.
79. Morgan's Furniture approached Mr. Burbine on this issue and asked him why Morgan's Furniture was not included on this list and not a participatory dealer in the contest. Mr. Burbine told Morgan's Furniture that it was the only dealer in Newfoundland omitted because there was a gallery store, being Island Furniture, nearby (70 to 100 kms in distance) and that La-Z-Boy's policy restricted Morgan's Furniture's inclusion in any such promotion.
80. Over the course of six months following after Morgan's Furniture learned it was omitted from the website and, in turn, the contest, it made numerous telephone calls to Mr. Burbine until Mr. Burbine and La-Z-Boy agreed to include Morgan's Furniture on La-Z-Boy's website. Morgan's Furniture believes that it lost business due to its exclusion from (a) the contest in 1998, (b) subsequent contests, and (c) La-Z-Boy's website.
81. Furthermore, during the same time period, Morgan's Furniture was receiving numerous reports from its customers that a Wally Pottle, a salesman of Island Furniture, was telling customers that Morgan's Furniture was losing the La-Z-Boy product line. Mr. Burbine did not want to discuss these reports or even assist Morgan's Furniture in determining whether Mr. Pottle had been making these statements. Morgan's Furniture believes that these statements, if, in fact, were made by Mr. Pottle, affected customer confidence in Morgan's Furniture and resulted in lost sales.

82. Attached as Exhibit 44 to this my Affidavit is a copy of newspaper ad which was run in the November 18, 1999 local newspaper. The free raccoon giveaway was not available to Morgan's Furniture.
83. Attached as Exhibit 45 to this my Affidavit is another Island Furniture/La-Z-Boy promotion, which was never offered to Morgan's Furniture. Morgan's Furniture's only knowledge of promotions was when they appeared in Island Furniture store advertisements.

E. CONSEQUENTIAL AND SUBSTANTIAL EFFECT

84. By its letter dated August 27, 2002, attached hereto as Exhibit 2 and noted above, La-Z-Boy advised Morgan's Furniture that its account would be terminated effective December 31, 2002. As reasons for the termination, La-Z-Boy cited declining purchases since 1998, which represented inadequate La-Z-Boy representation and product promotion.
85. Morgan's Furniture takes great issue with La-Z-Boy's position. Morgan's Furniture has continuously and diligently maintained prominent La-Z-Boy representation and product promotion, notwithstanding the restrictions placed upon it by La-Z-Boy. Morgan's Furniture advertised La-Z-Boy product in the following forms: i) daily advertisements on the 7:00 a.m. local radio newscast; ii) advertisements in local newspaper (The Compass); iii) advertisements in regional newspaper (The Telegram); and iv) prominent visual La-Z-Boy advertisements on Morgan's delivery cube van, as already noted above.
86. As stated previously in paragraph 9 herein, La-Z-Boy evaluated Morgan's Furniture's performance for the year 2002 based upon purchases only up to August of 2002. A review of past account history would certainly have indicated that over 50% of Morgan's yearly sales occurred during the months of September to December. At the time of Mr. Wiltshire's letter of August 27, 2002, Morgan's Furniture's tag orders and year end inventory had not yet been placed. In fact, on August 31, 2002, Morgan's Furniture placed a year end inventory order which comprised 41 pieces. La-Z-Boy refused to fill this order. It is the position of Morgan's Furniture that this action, together with La-Z-Boy's continuing and escalating restrictions on product availability to Morgan's Furniture, suggests that La-Z-Boy

had planned to cut Morgan's Furniture from its dealership of La-Z-Boy Furniture to the benefit of its competition, Island Furniture. To further strengthen this belief, it is worthy to note that at the time Morgan's Furniture was notified by La-Z-Boy of its intention to terminate its business relationship with Morgan's Furniture, Island Furniture held the grand opening of its new "Gallery" super store in St. John's.

87. Morgan's Furniture was excluded from all promotions, and was severely and unfairly limited in terms of style, fabric and leather availability. However, Morgan's Furniture has promoted all available La-Z-Boy products more than adequately.

88. By its letter dated September 24, 2002, La-Z-Boy's solicitors addressed Morgan's Furniture's account termination concerns, citing various policy implementations. It is noted that there were no concerns respecting Morgan's Furniture's credit or inability to satisfy its accounts when due or inability to meet trade terms. This letter is attached to this my Affidavit as Exhibit 46. In response, Morgan's Furniture takes the position that it was not properly advised at any material time of available styles, fabric options and prices. As well, popular styles and covers were improperly and unfairly excluded from Morgan's Furniture by Mr. Burbine and Ms. Crowley and that some, if not all, of these exclusions were made to the benefit of Morgan's Furniture's competitor, Island Furniture. Also, Morgan's Furniture's inquiries and requests regarding price lists and style/cover restrictions were dismissed.

(i) *Substituted Lines*

89. La-Z-Boy is the only supplier of La-Z-Boy products in Canada and, consequently, Morgan's Furniture cannot obtain La-Z-Boy products from an alternative supplier.

90. Morgan's Furniture has tried to obtain successful replacement brands for its La-Z-Boy line, but without success.

91. The closest replacement product to that of La-Z-Boy products that Morgan's Furniture was able to find is the Berkline brand. However, the Berkline brand is a weak sales performer

as it fails to offer equivalent quality styles and fabrics to that of La-Z-Boy or even carry that same prestige in the market place as does La-Z-Boy.

92. More significantly is the inability of the Berkline product to break into or even compete in the same market as La-Z-Boy. In this respect, it has been noted by Morgan's Furniture that when its customers come to its store looking for a recliner product, and often coordinating pieces such as sofas, love seats and chairs, they want only La-Z-Boy. No other brand is satisfactory to the customer. Consequently, Morgan's Furniture is unable to sell the replacement product of Berkline which it acquired and, consequently, Morgan's Furniture is losing its customers to Island Furniture.
93. Attached as Exhibit 47 to this my Affidavit is Table A which provides a comparison of sales figures of Morgan's Furniture as between Berkline and La-Z-Boy products for the years 1998 to 2002. This sales comparison illustrates the weak sales performance of the Berkline product as against La-Z-Boy, even during a period of declining sales of La-Z-Boy product resulting from the restrictions placed upon Morgan's Furniture by La-Z-Boy.
94. Besides the Berkline brand, Morgan's Furniture also sought other product lines, but without success. In fact it considered the lines of El-Ran and Lane.
95. El-Ran is a recliner line from Quebec operating since the early 1970's. Morgan's Furniture tried to sell the El-Ran line in the early 1990's but without any success. Unfortunately, its overall sales results were very poor. After Morgan's Furniture's assessment, and re-assessment after 1998, of this line, it was felt that the selection of styles and fabrics did not fulfill the needs and demands of Morgan's Furniture's market. Consequently, the El-Ran line was not an alternative to the La-Z-Boy line for Morgan's Furniture.
96. A third line which was considered by Morgan's Furniture was the Lane line. Lane is also a recliner line, but, operating from the United States of America. Morgan's Furniture considered the Lane line to have nice style and fabric selection. Morgan's Furniture attempted to purchase product from Lane on two separate occasions, being during the winter/summer shows in Ontario in 1999 and 2000, respectively. While Morgan's Furniture

placed orders with Lane on both occasions, the orders were never filled with no explanation provided by Lane. Presently, there are two Lane dealers in St. John's, Newfoundland, who are: i4 Furniture and Mahogany House.

97. Considering the experience with both El-Ran and Lane, Berkline became the alternative product. However, while the demand for recliner products increased between 1995 and 1999, Berkline was unable to provide the style and quality product which Morgan's Furniture's customers demanded. Unfortunately, Berkline does not carry a line to compete with this market development. Consequently, even though La-Z-Boy was placing restrictions upon Morgan's Furniture's ability to purchase and sell La-Z-Boy product, Morgan's Furniture's sales were greater for La-Z-Boy product than for the Berkline product, as noted above.
98. To reiterate, unfortunately, there is no substitute for La-Z-Boy products.
99. Realistically, La-Z-Boy products occupy a dominant position in the marketplace. This is evident by its ability to promote stores which sell only La-Z-Boy products. La-Z-Boy's dominance in the marketplace as a whole has permeated into its control over who sells its product, notwithstanding that its actions may have a devastating impact on longstanding and loyal dealers who contributed to La-Z-Boy's market growing within its geographical region. After December 31, 2002, there is only one dealer, Island Furniture, with two locations in St. John's, selling La-Z-Boy products on the Avalon Peninsula region. Sears, situated in St. John's, offers two styles of recliners with limited fabric selection and no tag orders. Consequently, Sears has little impact on the overall market in the Area. As a result, Island Furniture now controls approximately 95 to 99 % of the marketplace on the Avalon Peninsula for La-Z-Boy products. Consequently, there may not be an ample supply in the market through one dealer. Furthermore, customers who do not reside in St. John's will have to travel further to purchase La-Z-Boy products.
100. Perhaps of greater concern to consumers in general is the risk that La-Z-Boy products will rise in price as Island Furniture will have no competition. From information provided by customers to Morgan's Furniture, albeit hearsay, historically, customers are only given the

"best price" on furniture from Island Furniture only once Island Furniture is aware that the customer is also dealing with its competition on the same piece of furniture. Morgan's Furniture's policy is always to give the customer the best price, which historically has been lower than the price initially offered by Island Furniture. With La-Z-Boy products being exclusively sold by Island Furniture, the consumer is likely to pay higher prices. This has already been evident through advertisements which were placed in the local St. John's newspaper, The Telegram, in 2001 and 2002 by Island Furniture. In both advertisements, Island Furniture was promoting La-Z-Boy recliners with prices starting at \$399.00 in December of 2001 and in December of 2002, the identical chairs had starting prices of \$499.00. In this respect, I refer to the copy of the advertisement attached as Exhibit 48 to this my Affidavit.


(ii) *Loss of Business*

101. The overall effect that the termination of Morgan's Furniture's contact with La-Z-Boy has had and will continue to have upon the business of Morgan's Furniture will be devastating.
102. Unfortunately, Morgan's Furniture's historical data does not extend earlier than 1998 for all products and does not extend earlier than 1995 for La-Z-Boy products. As well, its data is based only upon purchases.
103. The fourth column in Table A, attached to this my Affidavit as Exhibit 47, shows the significant loss of La-Z-Boy sales since the year 2000. In particular, the loss of 46% of its sales in 2001 illustrates the substantial effect which the restrictions, being placed upon Morgan's Furniture in the lines, styles and fabrics which it could obtain from La-Z-Boy, had upon Morgan's Furniture's recliner sales.
104. It is noted that the sales which Morgan's Furniture made in 2002 concerning La-Z-Boy product were only tag orders and remaining stock which it had in its store. After August 27, 2002, La-Z-Boy only filled tag orders from Morgan's Furniture and refused to fill any stock and inventory orders.

105. Of course, while no information is presented in Table A for the year 2003, the percentage of growth, or loss, for La-Z-Boy product will be 100%.
106. As can be seen from Table B, attached to this my Affidavit as Exhibit 49, La-Z-Boy recliners was the fourth largest sales category for Morgan's Furniture. However, what is significant is that each of the three larger sales categories had more than one supplier for that category: upholstery stationary having 11 suppliers, wood furniture having 24 suppliers and appliances having 3 suppliers. The significance of this information is that if one of the suppliers in either of the categories of wood furniture, upholstery stationary or appliances no longer supplied Morgan's Furniture, Morgan's Furniture would still have other suppliers to rely upon to contribute to the supply of product for that category. However, with the La-Z-Boy recliner category, there is only one available supplier, whose denial of supplies completely erases that category and significant sales for Morgan's Furniture.
107. Table C, attached to this my Affidavit as Exhibit 50, and Table D, attached to this my Affidavit as Exhibit 51, perhaps illustrate further the loss experienced by Morgan's Furniture and the inability of the Berkline line to maintain the recliner sales of Morgan's Furniture. Also illustrated by these Tables is that while the appliance category is such a big number respecting sales, its gross profit is lower than that of La-Z-Boy whose sales figures were lower. This shows that Morgan's Furniture was able to obtain a greater profit margin with the recliner category with lesser sales. The loss of such a line impacts greatly upon Morgan's Furniture's revenue.
108. Perhaps of more significance is that information which is contained in Table E, attached to this my Affidavit as Exhibit 52. Firstly, this Table shows the proportion which La-Z-Boy represents in the overall gross profit of Morgan's Furniture and the decrease of that proportion during the years when La-Z-Boy started its restrictions. For instance, in 1998, Morgan's Furniture's gross profits from La-Z-Boy sales represented 89% of Morgan's Furniture's operational profit. This percentage dropped significantly over the course of the next four years to 34%. In 2003 it will be 0%.

109. As stated previously, the restrictions which La-Z-Boy placed upon Morgan's Furniture started to have noticeable effect in 1998. Prior to this, Morgan's Furniture had been enjoying an average yearly La-Z-Boy sales growth of over 44%. In Table E, attached hereto as Exhibit 52, Morgan's Furniture projects its growth of La-Z-Boy sales from 1998 to 2002 on the basis (a) that no restrictions were in place and (b) that it enjoyed a more conservative growth of 30% rather than 44% (see Column I). Based on these figures, Morgan's Furniture should have experienced significant growth rather than a loss.
110. It is Morgan's Furniture's position that based upon the growth it had been experiencing with the La-Z-Boy line up until 1998 and its projections for that continued growth, Morgan's Furniture has lost significantly.
111. In this Affidavit, I have attempted to set out in detail the dealings between La-Z-Boy and Morgan's Furniture since in or about 1997. Morgan's Furniture feels that it is evident that the actions of La-Z-Boy and its agents/representatives show malice towards Morgan's Furniture with an intent of excluding a significant portion of its business and its customers to the benefit of a competitor, Island Furniture. Due the quality and nature of their actions, La-Z-Boy has caused Morgan's Furniture to suffer damages by a loss of product sales.

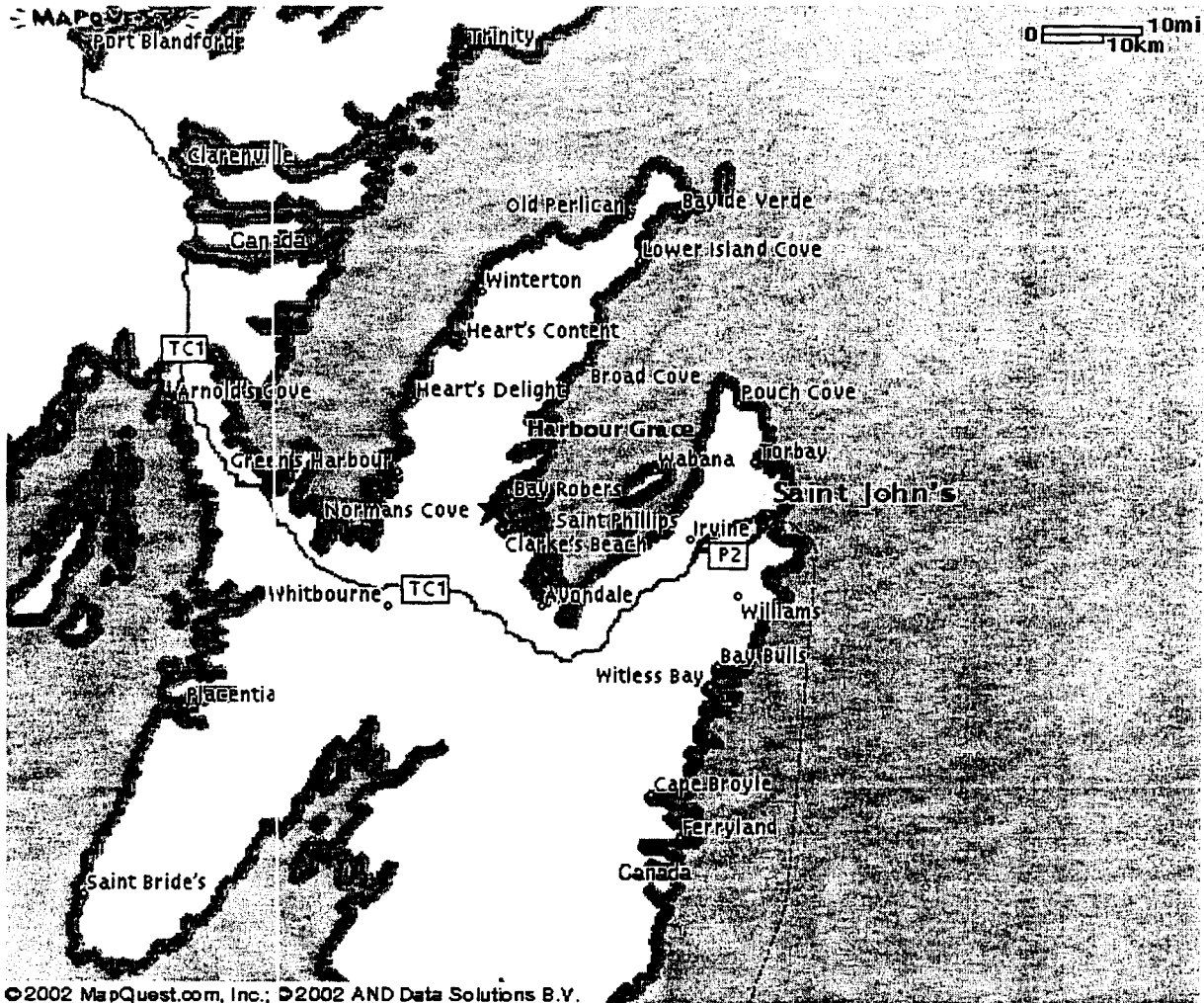
SWORN TO at St. John's, in the Province of Newfoundland and Labrador, this 18th day of November, 2003, before me:



Barrister (W.C.)



PERRY MORGAN



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LA-Z-BOY®

Canada Limited

TAB 2

August 27, 2002

Perry Morgan
Morgan's Furniture
P.O. Box 430
Clarks Beach, NF
A0A 1W0

Dear Perry:

We constantly review sales by individual customers and through such review have noted your low volume of sales. Over the past 5 years, La-Z-Boy Canada has enjoyed sales growth in excess of 35% and we are enjoying solid sales growth with a majority of our customers. By contrast, Morgan's Furniture has shown a steady decline over the same period of time. A review of your account by a year by year basis reveals the following:

Calendar Year Unit Shipment History

	1998	1999	2000	2001	2002
Morgan's Furniture	215	193	179	80	51

It is our feeling that your low volume indicates that you have inadequately represented our products and have failed to promote them effectively in your store.

We thank you for the orders you have favored us with in the past, however the continued low volume no longer permits us to service your account, therefore we are forced to terminate our relationship effective December 31, 2002.

Please feel free to call upon us if there are any special services you require to complete orders on hand or to service a customer who has already received our products, for we stand ready to fulfill all of our warranty obligations.

Best Regards,



Mark Wiltshire
Vice-President, Sales & Marketing
La-Z-Boy Canada

cc: Ron Balzer, National Sales Manager
Danny Burbine, SMC

Ext. 269

ISO 9001:2000 REGISTERED

La-Z-Boy

STYLES AVAILABLE TO MORGAN'S FURNITURE 1998 - 2002

1998	1999	2000	2001	2002
05-230	05-230	05-230	05-230	05-230
	05-235			
05-278				
05-509				
05-512	05-512	05-512		05-512
05-568				
	10.411	10-411	10-411	10-411
		17-423		
			10-433	
10-466	10-466	10-466		
		15-466		
17-466				
33-466	33-466	33-466	33-466	
			10-505	
10-518	10-518	10-518	10-518	10-518
			15-518	
30-518	30-518	30-518	30-518	
	32-518	32-518	32-518	32-518
	10-523			
	10-536	10-536		
		17-531		
	10-537	10-537		
	10-538			
10-550	10-550	10-550	10-550	10-550
15-550	15-550		15-550	
30-550	30-550	30-550	30-550	30-550
		32-550		32-550
			35-550	
04-550 (sectional)				
	1n6550			
61-550		61-550R		
		63-550R		
10-554	10-554	10-554	10-554	10-554
	15-554			15-554
17-554				

30-554	30-554	30-554	30-554	30-554
32-554	32-554	32-554	32-554	32-554
35-554	35-554	35-554	35-554	35-554
	04-554(sectional) YES		yes	y / n
	1N6554			
10-560				
		10-571		10-571
10-636	10-636	10-636	10-636	10-636
10-644		10-644		
	10-825		10-825	
10-837	10-837	10-837		
10-839		10-839		
10-590				
24-427				
28-947	28-947			
28-955				
	29-443			
29-953				
	29-974			
01n514				
01m509	01m509			
1m6554				
011598	011598			
	041-451			
	043-451			
51-844				

April 1, 1997

TO ALL LA-Z-BOY DEALERS

Dear Sir/Madam:

The first few months of 1997 have brought about many new changes and new opportunities at La-Z-Boy. We feel that the time has come to issue a clear vision as to how we see the distribution of our product line. We believe that the following policy will benefit our company, the dealers which support us, and the consumers.

We are giving too much attention to accounts who are not being fair to us, themselves or to our consumers and this must end. Consumers are entitled to our brand name. Consumers must see our product properly displayed, and be able to purchase it at a fair price. Most importantly, we are entitled to protect our main asset, which is the value of our name for your benefit and for ours. To help achieve this goal, our three dealer categories have been modified and we have set minimum quantities for a dealer to qualify in each category on a yearly basis. These minimum quantities should be discussed with your Sales and Marketing Consultant. The qualification period will run on a calendar year, retroactive to January 1, 1997.

Details of each category:

A - **MOTION CHAIR DEALER** - Reclina-Rest, Reclina-Way, Reclina-Rocker, Reclina-Glider, La-Z-Touch Massage, and Luxury-Lift Power Recliners.

B - **MAJOR UPHOLSTERY DEALER** - This category will be divided up into four sub-categories. Your Sales and Marketing Consultant will be pleased to discuss this category with you.

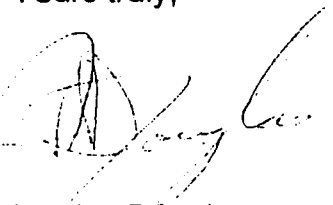
C - **FULL LINE DEALER** - This category includes all product manufactured by La-Z-Boy including the Canadian Home Collection. The Canadian Home Collection will continue to remain exclusive to our Gallery Program.

April 1, 1997
To All La-Z-Boy Dealers
page 2

We believe that by modifying our three major product classifications and by setting up minimum amounts that this will prove to be very beneficial for all parties involved. It should make selling our line easier at the retail level, and continue to allow La-Z-Boy to target a marketing program in support of each category. You the dealer will continue to receive our corporate support commensurate with your own individual support.

Your sales in the past have been important to us and this company looks forward to becoming even more important to you, and you to us.

Yours truly,

A handwritten signature in black ink, appearing to read "Iain W. Douglas". The signature is fluid and cursive, with a large initial "I" and a long, sweeping tail.

Iain W. Douglas
Vice-President, Sales and Marketing

July 5, 1999

To All Dealers:

The new millennium is almost upon us and with it brings many changes to La-Z-Boy Canada Limited and you our valued dealer.

1. Changes in F.O.B.
2. Changes in pricing.
3. Changes in freight.
4. Changes in distribution.

For many months, we have been studying the La-Z-Boy Canada operation in relationship to La-Z-Boy U.S. and our geographical location in North America. What could we do to make better and more efficient use of our plant and how could we make ourselves more competitive in the marketplace?

The changes are as follows:

1. The Canadian manufacturing facility will no longer be used as a RDC (Regional Distribution Centre). Current storage space will be turned into manufacturing square footage. Currently, all U.S. manufactured product is shipped to Waterloo, and then to retailers across Canada. From approximately August 1st on, U.S. made upholstery will be shipped from our U.S. F.O.B. directly to you. In Eastern Canada this merchandise will come from Dayton, Tennessee; in Western Canada from Tremonton, Utah. Complete details are available from your Sales & Marketing Consultant.
2. To date, La-Z-Boy Canada price lists have been printed in *pink*. This will remain the same for Canadian made product. U.S. made product will now be sold to you in U.S. dollars and these price lists will be printed on *grey* stock. You will benefit from a decrease in pricing in most instances because of this change. All orders regardless of manufacturing location will still be sent to Waterloo for processing. U.S. product will be invoiced to you in U.S. dollars and you will remit payment to the stated U.S. address. Payments for invoices of Canadian made product will continue to be submitted to Waterloo.
3. Freight will be prepaid and invoiced to you from the designated F.O.B.
Eastern Canada - either Waterloo, Ontario or Dayton, Tennessee.
Western Canada - either Waterloo, Ontario or Tremonton, Utah.
Your Sales and Marketing Consultant will have complete rate information.
Today, Waterloo absorbs all freight costs from Dayton to Waterloo. You've only been paying from Waterloo to your door. This subsidy is being lifted, but we expect the reduction in dealer price to help offset this increase. Our U.S. freight rates will be comparable with any other U.S. rates, which you are now paying from other suppliers.

.../2

page 2
To All Dealers
July 5, 1999

4. Dealer categories from a distribution viewpoint are being reduced. Currently, we have 6 and this will be reduced to 3.

- A. Chair Dealer
- B. Motion/Upholstery Dealer
- C. Canadian Home Dealer.

We have been giving too much attention to accounts who are not being fair to us themselves or to our consumers and this must end. Consumers are entitled to our brand name. Consumers must see our product properly displayed, and be able to purchase it at a fair price. Most importantly, we are entitled to protect our main asset, which is the value of our name for your benefit and for ours. We have set minimum quantities for a dealer to qualify in each category on a yearly basis. These minimum quantities should be discussed with your Sales & Marketing Consultant. The qualification period will run on a calendar year.

We believe that by modifying our three major product classifications and by setting up minimum amounts that this will prove to be very beneficial for all parties involved. It should make selling our line easier at the retail level and continue to allow La-Z-Boy to target a marketing program in support of each category. You the dealer will continue to receive our corporate support commensurate with your own individual support.

Your sales in the past have been important to us and this company looks forward to becoming even more important to you and you to us.

Sincerely,

LA-Z-BOY CANADA LIMITED



Iain Douglas
Vice-President, Sales & Marketing

ID/ld: encl.

cc: Your Sales and Marketing Consultant

ORDER FORM



CANTREX

ORDER NO. C 788689
YOUR INVOICE MUST REFER TO THIS NUMBER

SUPPLIER		SHIP TO	
<i>LA-Z-BY CANADA</i>	NO	NAME: <i>Allen Reynolds Ltd</i>	MEMBER NO
<i>1-800-563-1398</i>		ADDRESS: <i>Box 430, Clarks Beach Nfld</i>	
		TEL: <i>709 786-2100</i>	FAX: <i>709 786-6403</i>

DATE <i>Sept 30/97</i>	VIA <i>QLEANEX</i>	TERMS	SHIPPING DATE <i>ASAP</i>	CANCELLATION DATE	PREPAID <input type="checkbox"/>	ORIGINAL ORDER <input type="checkbox"/>
					COLLECT <input type="checkbox"/>	CONFIRMATION <input type="checkbox"/>

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	052-487	B413325		<i>sofabed Please advise accent pillow color.</i>	
1	055-427	D422340		<i>sofabed Please advise accent pillow color.</i>	
1	061-865	C420909	PORT	SOFA	
1	063-865	C420909	PORT	LOVESEAT	
				<i>Please advise accent pillow color (preferably navy)</i>	

GROUPE CANTREX INC. 4445, Garand, St-Laurent, Québec H4R 2H9 Tél: (514) 335-0280 Fax: (514) 745-1741	TAG	<i>Mrs. Jeans</i> CUSTOMER'S NAME	<i>Tommy Jones</i> BUYER
	PROV. SALES TAX	REFERENCE NO.	APPROVED BY
10-0940-1781-0001			

SUPPLIER'S COPY

10/01/97



CANTREX

C 788669

[Redacted header line]

*Delia ...
...
NSAP*

052-487 3413325 *refused*
Please advise recent yellow color

055-481 D42340 *refused*
Please advise recent yellow color

051-865 CH20909 Post *SOFA*
053-865 CH20909 Post *LOVECAT*

*Please advise recent yellow color
(preferably, only)*

The Trade

SUPPLIER'S COPY

*Please advise style prefer
on the 487. Thank you
052-487 refused Delia
Th...*

C 788689



CANTREX

052-487

052-487
052-487
ASAP

052-487 6413325 refabed
Please advise account holder

052-487 D422340 refabed
Please advise account holder

052-487 C420909 Part SORA
052-487 C420909 Part LOVESEAT

Please advise account holder
(preferably name)

John J. ...

SUPPLIER'S COPY

052-487 refabed

T. ...

ALLAN MORGAN AND SONS LTD.

21-2
TAB 7

Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: LA 2-BOY Attn: Debbie Hesperges

From: Allan Morgan Date: Nov 14/97

___ pages including cover sheet.

Re: Order # C 283688

It was to advise that while you claim to have sent a 2nd fax on October 1997 it was not received by us. We did receive your first fax within 3 hours.

In conversation with Bonnie (Dorothy Barber) we were advised that LA 2-BOY only sends one message. It is too bad but we will be watching for all confirmations in the future.

The order for 4 pcs tag "New Year" can be taken off your desk and thrown in the garbage as it is now useless to us now and is only taking up space in your files. We have informed our very unhappy customer and they have cancelled their order.

We are not sure but the order may have cost us any chance of maintaining the signature division. We want honestly to do the best we can and will never know.

Thank-you
Allan

ALLAN MORGAN AND SONS LTD.

Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

71-6
TAB 8

FAX COVER SHEET

To: LA-2-Boy Attn: Debbie Hunsberger

From: Perry Morgan Date: Nov 19, 1997

___ pages including cover sheet.

1-800-661-7100

Re: Order # C788689

As per conversation with order desk, last week I would like written confirmation that the above order which has been held for the past 45 days is cancelled and not entered in the LA-2-Boy system.

This particular order was sold (2 pieces of jeans) originally, but with this new information our customer has since cancelled.

Thank you
Perry

DANNY BURDINE SALES LTD.

TAB 9

LA-Z-BOY

P.O. Box 67
Amherst, N.S. B4H 3Y6

TEL: (902) 667-2481

Fax: (902) 667-0285

Sept 30/97

Dear
Patricia

NO. OF PAGES

MESSAGE:

The 506 style ordered etc. is
This style is being changed
to new mec. but not available
possibly some time in October
We suggest you wait for new
one. If you do not we can
order with old mec. Please
advise all American styles are
being held to get Patricia
and me of it to the product

ALAN MORGAN AND SONS LTD.
Furniture & Appliances

100, King Street, London, W.C.2
Tel. 01-253 1111
We have a large stock of the finest furniture and appliances
at a great furniture store.

FAK COVER SHEET

CO. 667 2487
2286

ALL
DATE: 10/1/1992

Dear Mr. Morgan,
I would like to see
the new designs of the
table and chairs. I would like to see
the new designs of the
table and chairs. I would like to see
the new designs of the
table and chairs.

Yours faithfully,
John
John
We have been advised that the
table # 506 is dropped and with
it has been made with the new
design about this. But sometimes the
in the same design with no design
making a copy of the letter.
Barry

ALLAN MORGAN AND SONS LTD.
Furniture & Appliances

Rich Hills, Bay Roberts, Nfld. Tel: (709) 706-2100 Fax: (709) 706-6101
Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

902-667-2487

Name:

Bonnie

PERRY MORGAN

Date:

Oct 1, 1997

cc: including cover sheet.

As per your suggestion, I would rather wait for the new mechanism. I did not realize this change would take so long but I would still rather wait.

Thanks

Perry

Perry

We have been advised that the style # 506 is dropped and will now not be made with the new one.

Sorry about this but sometimes these problems occur with redesigning and making a product better.

Bonnie

LA-Z-BOY®

Canada Limited

TAB 10

June 4, 2002

Dear La-Z-Boy Dealer:

Over the course of the last six months we have seen our delivery performance deteriorate on many of our leather items. We realize that this has been a tremendous hardship for you and has caused a credibility issue for you with your customers. While the current situation may appear bleak, please rest assured that we are well aware of the situation and have been working diligently to make the necessary corrections in order to provide you with the service you have come to expect from us. We want to make you aware of three main issues regarding our current leather situation:

1. Due to the huge success of our two recent leather chair promotions, the 10-541 in Kingsland, and the 10-506 in Caress, we have been unable to keep pace with the order rate demand. We had initially forecasted these specific items based on an historical rate of sale, and are currently nearly 35% above that forecast. Unfortunately, the cut sets and raw materials could not be immediately moved up, thus we were forced to extend our lead times in order to provide an initial ship date. However, we have been working with each of our suppliers to increase hide availability and pre-cut set availability in order to improve upon these dates. I believe you will see an improvement on the lead times of these particular styles as we receive more accurate information from our supplier.
2. We experienced delivery challenges on specific tannages, i.e., Chesterfield, Crystal and Kingsland, due to the quality of hides received at the cutting center, and have been scheduling your orders based on the delivery information provided to us. In many instances the hides received did not meet with our quality specifications. We have had to reject these hides, return them to the supplier and expedite new orders. Obviously this caused us a delay in producing your order, as well as a delay in giving you accurate delivery information. Unfortunately, we are beholden to the supplier to re-evaluate his raw materials and provide us with new ship dates on hides to fulfill

ISO 9002 REGISTERED

LA-Z-BOY CANADA LIMITED • 55 Columbia Street East, Waterloo, Ontario N2J 4N7
Business: (519) 886-3440 Fax: (519) 746-3936 • Customer Service Fax: (519) 886-8522

these orders. We have, however, implemented a new inspection process at the tannery level where La-Z-Boy employed inspectors will be pre-inspecting all leather hides from the problem tannages BEFORE they get to our facility, which will aid in the scheduling of these orders in a more timely manner.

3. The inordinate demand of the last six months has created a backlog on our lesser volume styles which we were ill equipped to accommodate. The fact that some of our lesser volume styles are run on electronic equipment has created a backlog on these particular styles. At present, we have reduced the late orders manufactured on this particular equipment and expect to be caught up as quickly as the leather supply allows. In order to correct this situation, we have also installed a new cutter which is currently being implemented at the Leather Cutting Center and have another one on order provided the results are as positive as we think they will be.

While the above may provide you with some explanations as to why we have been late, it nonetheless does not exonerate La-Z-Boy from being unable to provide you with the service you deserve. We have made some internal systems changes in order to better service and react to situations such as the 30% increase in the order rate that we have seen since December. We are also planning systems changes in order to provide our Customer Service Department with more accurate information to be able to relay to you when there is a leather order delay. While we are not content with the way we have serviced leather to you over the course of the last six months, we have made major strides to correct the problem and ensure that we do not experience a similar situation in the future. We realize that leather is an important part of your overall profitability, and an area where we cannot afford to have unhappy customers. We will continue to provide you with updated information concerning our progress on the leather situation. Again, we appreciate your understanding during these most trying of times.

Sincerely,



Mark Wiltshire
Vice- President, Sales & Marketing
La-Z-Boy Canada Limited

Page 1 of 5

ORDER FORM



CANTREX

ORDER NO.
C 1044515

YOUR INVOICE MUST REFER TO THIS NUMBER 772

SUPPLIER

LA-2-7301

NO

519-886-8522 (P) 800-661-7100

SHIP TO

NAME: Allen Adams & Sons (to) 10505
ADDRESS: P.O. Box 430, Charles Beach
NFID: AOA-160
TEL: 709-786-2100 FAX: 709-786-6417

MEMBER NO.

DATE: Aug 9/99 VIA Oceanic TERMS SHIPPING DATE: ASAP CANCELLATION DATE

ORIGINAL ORDER CONFIRMATION

COLLECT

F.O.B.

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	33-466	E437307	x Rec	Rec 22	704 704
1	33-466	E437384	Rec		704 704
1	33-466	E437326	Rec		704 704
2	30-518	E437307	Rec 2	(sept 14)	873 1746
1	30-518	E437384	Rec	(sept 10)	873 873
1	30-518	E437326	Rec		873 873
2	30-554	E437384			884 1768
2	30-554	E437307		LAG: McDONALD	884 2652
2	30-554	E437326			884 1768
2	35-554	E437307		LAG: HUNNAY	948 1898
1	35-554	E437326			948 949

CANTREX GROUP INC. 4445 Gerard St. Unit 100, St. John's, NL A1B 1X6 Tel: (514) 835-0800 Fax: (514) 835-0811

CUSTOMER'S NAME: Jerry C. Moy BUYER

PROV. SALES TAX: 10-0940-1781-0001

REFERENCE NO.

APPROVED BY

ORDER FORM



CANTREX

Page 2 of 5

ORDER NO.
C 1044516

YOUR INVOICE MUST REFER TO THIS NUMBER

SUPPLIER

LA-2-730/

NO

519-886-8522 (P) 800-661-7100

SHIP TO

NAME: *Allen Morgan & Sons Ltd* MEMBER NO. *10505*

ADDRESS: *P.O. Box 430, Clarks Beach, Nfld*

TEL: *709-786-2100* FAX: *709-786-6403*

DATE: *Aug 9/89* VIA: *Cantrex* TERMS: SHIPPING DATE: *ASAP* CANCELLATION DATE: ORIGINAL ORDER: COLLECT:

Reprint from order

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	30-550	E437307	- x	Rec Dept 87	884 00
1	30-550	E437384	- Rec	1019	884 00
1	30-550	E437326	- Rec		884 00
1	35-554	G463107	-	TAG - A. Dawe 1721	1721 00
1	35-554	G463183	-	1721	1721 00

CANTREX GOLF INC.
4445 Grand St. Montreal, Quebec
TEL: (514) 335-0200 FAX: (514) 335-0201

PROV. SALES TAX: 10-0940-1781-0001

TAG

CUSTOMER'S NAME

REFERENCE NO.

Ray C. Morgan
BUYER

APPROVED BY

ORDER FORM



C 1044515

LA-2-1301

NAME: *Allen Morgan & Sons Ltd* 10505
 ADDRESS: *P.O. Box 430, Clarke's Beach Nfld*
 AOA-1W0
 TEL: *709-786 2100* FAX: *709-786 6403*

Ⓣ 519-886-8522 Ⓟ 800-661-7100

Aug 9/99 | VIA *Cleaner* | *ASAP*

PREPARED

✓ 3	10-466	E437307	Rec ² _{Sept}	x Rec <i>Sept 22</i>
✓ 2	10-466	E437384	Rec	
✓ 2	10-466	E437326	Rec	
✓ 4	10-554	E437384		
✓ 7	10-554	E437307	Ⓞ	TAC <i>MacDonald / Hursey</i>
✓ 6	10-554	E437326		
✓ 4	10-554	G463107	Ⓞ (SB)	TAC <i>Dawe</i>
✓ 2	10-554	G463183	Ⓞ (SB)	
✓ 2	10-550	E437307	Rec (Sept 14)	
✓ 2	10-550	E437384	Rec	
✓ 2	10-550	E437326	Rec	

CANTREX GROUP INC.
5445, Boulevard St Laurent, Québec H4R 2H9
Tel: (514) 515-0500 Fax: (514) 745-1741

10-0940-1781-0001

Perry Morgan

Page 5 of 5

ORDER FORM



CANTREX

ORDER NO.
C 1044526
YOUR INVOICE MUST REFER TO THIS NUMBER

LA-2-Box

NAME: Allan Morgan & Sons Ltd 10505
ADDRESS: P.O. Box 439, Clarks Beach
NFCB AOA - 1W0
TEL: 709 786 2100 FAX: 709 786 6403

DATE: Aug 9/99 VIA Oceanic
BEST ROUTE

DELIVERY DATE: ASAP

PREPAID CONFIRMATION

3	28-947	B252726		395	1185.00
3	28-947	B252781		395	1185.00
3	28-947	B252709		395	1185.00
1	28-947	D418207	ACK Rec'd 28/99	419	419.00
1	29-974	HL463274	ACK Rec'd 28/99	1006.00	1006.00

CANTREX GROUP INC.
4445, Garand, St-Laurent, Quebec H4R 2H9
Tel.: (514) 335-0260 Fax: (514) 745-1741

TAG

CUSTOMER'S NAME

PROV SALES TAX

10-0940-1781-0001

REFERENCE NO.

APPROVED BY

Perry C. Morgan

TAB 12

ACKNOWLEDGEMENT

LA-Z-BOY CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

CUSTOMER SERVICE (519) 886-0340

9

QUANTITY FROM THIS QUOTATION	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE PRIX UNITAIRE
1	033466	E437307	HAVOAK FINISH, ETS: SEP 10	640.00
1	033466	E437304	HAVOAK FINISH, ETS: SEP 11	640.00
1	033466	E437326	HAVOAK FINISH, ETS: SEP 04	640.00
1	030510	E437307	HAVOAK FINISH, ETS: SEP 10	813.00
1	030510	E437304	HAVOAK FINISH, ETS: SEP 11	813.00
1	030510	E437326	HAVOAK FINISH, ETS: SEP 04	813.00
1	030554	E437304	HAVOAK FINISH, ETS: SEP 11	845.00
1	030554	E437307	HAVOAK FINISH, MCDONALD, ETS: SEP 04	845.00
1	030554	E437326	HAVOAK FINISH, ETS: SEP 04	845.00
1	035554	E437307	HAVOAK FINISH, HASSEY, ETS: SEP 10	913.00
1	035554	E437326	HAVOAK FINISH, ETS: SEP 04	913.00

Blue Pike

204
207
207
877
877
877
884
884
884
940
940

***** G.S.T. NOT INCLUDED ***** PAGE 1 OF 1
TERMS: PRICES FIRM UNLESS OTHERWISE SPECIFIED DELAYS ARE REQUIRED FOR ACCOUNT IS ON CREDIT HOLD.

ROCEANEX P & C

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NF A0A 1W0

ORDER NO: 622

ACCOUNT NUMBER: C1044515
ACCOUNT NUMBER: 61977012
REQUESTED SHIP DATE: ASAP
DATE: AUG 10 92

SALES REPRESENTATIVE: ROCEANEX P & C

DATE: 20 SEP 90

NO ADJUSTMENTS AFTER: N/A

ACKNOWLEDGEMENT NUMBER: 908103696

TO BE SHIPPED FROM: WATERLOO, ONTARIO

ACKNOWLEDGEMENT

LA-Z-BOY CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

CUSTOMER SERVICE (519) 886-0340

QUANTITY FROM THIS QUOTATION	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE PRIX UNITAIRE
1	030550	E437307	HAVOAK FINISH, ETS: SEP 10	836.00
1	030550	E437304	HAVOAK FINISH, ETS: SEP 11	836.00
1	030550	E437326	HAVOAK FINISH, ETS: SEP 04	836.00
1	035554	GL463107	HAVOAK FINISH, A. DAWE, ETS: SEP 10	1820.00
1	035554	GL463183	HAVOAK FINISH, ETS: OCT 09	1820.00

340
1644

***** G.S.T. NOT INCLUDED ***** PAGE 1 OF 1
TERMS: PRICES FIRM UNLESS OTHERWISE SPECIFIED DELAYS ARE REQUIRED FOR ACCOUNT IS ON CREDIT HOLD.

ROCEANEX P & C

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NF A0A 1W0

ORDER NO: 622

ACCOUNT NUMBER: C1044515
ACCOUNT NUMBER: 61977012
REQUESTED SHIP DATE: ASAP
DATE: AUG

SALES REPRESENTATIVE: ROCEANEX P & C

DATE: NET 30

NO ADJUSTMENTS AFTER: N/A

ACKNOWLEDGEMENT NUMBER: 908103696

TO BE SHIPPED FROM: WATERLOO, ONTARIO

TAB 12

STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	CANADA LIMITED	PRICE QUANTITE
ACKNOWLEDGED--THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103698 PRIOR TO AUG 18 90.				
1 030550	E437307	HAVOAK FINISH, ETB: SEP 10		836.00
1 030550	E437304	HAVOAK FINISH, ETB: SEP 11		836.00
1 030550	E437326	HAVOAK FINISH, ETB: SEP 04		836.00
1 035554	GL463107	*****LINE CANCELLED*****		
1 035554	GL463103	*****LINE CANCELLED*****		

*****G.S.T. NOT INCLUDED*****
REMS PRICES FIRM UNLESS DELIVERY DELAYS ARE REQUIRED FOR ACCOUNT IS ON CREDIT HOLD.
 TACHÉMIEMENT: *OCEANEX P & C

*****C.S.T. NOT INCLUDED*****
REMS PRICES FIRM UNLESS DELIVERY DELAYS ARE REQUIRED FOR ACCOUNT IS ON CREDIT HOLD.
 TACHÉMIEMENT: *OCEANEX P & C

ALL MATERIALS WILL ONLY GIVE SERVICE IN PROPORTION TO THEIR QUALITY AND USE. WE DO NOT
 SEE THE WEARING QUALITY OR FASTNESS OF COLORING.
 TOUTES LES MATÉRIELLES NE DONNERONT QUE DES SERVICES EN PROPORTION DE LEUR QUALITÉ ET DE LEUR UTILISATION. NOUS
 NE VOYONS PAS LA TENUE OU LE BON TIENT DES COULEURS.

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

REFER TO THIS NUMBER IN ALL CORRESPONDENCE
 MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE

NO ADJUSTMENTS AFTER
 PAS DE MODIFICATIONS APRES LE

ACKNOWLEDGEMENT NUMBER
 N° D'ACCUSE DE RECEPTION

TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.)

622 N/A 908103698 WATERLOO, ONTARIO

DATE OF SHIPMENT (NO ANTICIPATION)
 DE LA DATE D'EXPÉDITION (PAS D'ANTICIPATION)

MODALITES

SALES MAN
 VENDEUR

DATE

DATE

DATE

DATE

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DATE

DATE

DATE

TAB 13

165⁶⁰



LA-Z-BOY[®]

Canada Limited

FAX TRANSMISSION

ADDRESS: 55 COLUMBIA ST. EAST, WATERLOO, ONTARIO, N2J 4N7.

TELEPHONE #'S:

DIRECT LINE: (519) 886-3447/EXT. 219

SWITCHBOARD: (519) 886-3440

FAX #'S:

DEALER INQUIRIES: (800) 661-7100

SALES & MKTG.: (519) 886-8522

To: ALLAN MORGAN & SONS

Attn: P E R R Y

Fax: (709) 786-6403

Date: August 18, 1999

From: Sonia Sgarbossa, Customer Services Manager

Total # of pages (including this cover): 1

RE: PURCHASE ORDER(S)

As La-Z-Boy Canada Ltd. has introduced a few changes as of August 1, 1999 this is a reminder that all orders are required to go through your Sales & Marketing Consultant's office rather than direct to our facility.

As a result of this change, your orders (P.O. C1044515) have been revised/changed according to your meeting of August 7, 1999 with Danny Burbine. Therefore, please update your records to show that the 554 series has been cancelled and will not be produced.

Should you require further clarification or have any questions, please contact Danny Burbine's office for assistance. Your cooperation is most appreciated.

Thank You.

cc: Randy Gross

TAB 14

ALLAN MORGAN AND SONS LTD. Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403
Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: LAZ-Boy 519-886-2592 Attn: SONIA Sgarbone

From: PERRY MORGAN Date: August 19, 1999

___ pages including cover sheet.

Re: Parcel received today Aug 19, 1999

Please re confirm:

① the style known as #554 has been cancelled

② LA-2-Boy is not producing the style known as #554

10-554

30-554

35-554

Thank you
Perry

TAB 15



LA-Z-BOY®

Canada Limited

FAX TRANSMISSION

ADDRESS: 55 COLUMBIA ST. EAST, WATERLOO, ONTARIO, N2J 4N7.

TELEPHONE #'S:

DIRECT LINE: (519) 886-3447/EXT. 219

SWITCHBOARD: (519) 886-3440

FAX #'S:

DEALER INQUIRIES/ (800) 661-7100

SALES & MKTG: (519) 886-8522

To: ALLAN MORGAN & SONS

Attn: PERRY

Fax: (709) 786-6403

Date: August 20, 1999

From: Sonia Sgarbossa, Customer Services Manager

Total # of pages (including this cover): 1

Dear Perry:

Thanks for your fax. I'm sorry for the vague wording in paragraph two. To clarify - the 554 series has not been cancelled from plant production. As discussed with Scott, Danny has made it exclusive with another account.

Please contact Danny for any questions you may have.

Sonia Sgarbossa

cc: Danny Burbine
Iain Douglas

ACKNOWLEDGEMENT

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

FAX: (519) 886-8522
CUST. SERVICE: (519) 886-0380

QUANTITY ORDERED QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE PRIX UNITAIRE
KNOWLEDGED-THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103699 PRIOR TO AUG 24 99.				
1	010466	E437307	HAYOAK FINISH, ETB: SEP 10	378.00
1	010466	E437304	HAYOAK FINISH, ETB: SEP 11	378.00
1	010466	E437326	HAYOAK FINISH, ETB: SEP 04	378.00
1	010554	E437384	*****LINE CANCELLED*****	
1	010554	E437307	*****LINE CANCELLED*****	
1	010554	E437326	*****LINE CANCELLED*****	
1	010554	GL463107	*****LINE CANCELLED*****	
1	010554	GL463103	*****LINE CANCELLED*****	
1	010550	E437307	HAYOAK FINISH, ETB: SEP 10	428.00
1	010550	E437384	HAYOAK FINISH, ETB: SEP 11	428.00
1	010550	E437326	HAYOAK FINISH, ETB: SEP 04	428.00

*****G.B.T. NOT INCLUDED***** PAGE 1 OF 1
 AMERICAN FIRM UNLESS SPECIFIED OTHERWISE BY ITS REGISTRATION ACCOUNT IS ON CREDIT HOLD.
 OCEANEX P & C SALES PROGRAM / PROGRAMME DE VENTE

OUR MATERIALS WILL ONLY GIVE SERVICE IN PROPORTION TO THEIR QUALITY AND USE. WE DO NOT
 E THE WEARING QUALITY OR FASTNESS OF COLORING
 BAUX ASSURONT EN EMPLOI QUI EST FONCTION DE LEUR QUALITE ET DE LEUR UTILISATION. AINSI
 ISSONS PAR LA TENUE OU LE BON TIEN DES COULEURS.

SERVICE CHARGE OF 1 1/2% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON OVERDUE ACCOUNTS.
 PRAIS DE CREDIT DE 1 1/2% PAR MOIS (18% PAR ANNEE) APPLICABLE SUR LES COMPTES EN SOUFFRANCE.

ALLAN MORGAN & SON LTD DHA/MORGAN'S FURNITURE HAY ROBERTS P O BOX 430 CLARKS BEACH NF AOA 1W0	ALLAN MORGAN & SON LTD DHA/MORGAN'S FURNITURE HAY ROBERTS P O BOX 430 CLARKS BEACH NF AOA 1W0	P.O. NUMBER N° DU BON DE COMMANDE C1044515	ACCOUNT NUMBER N° DE COMPTE 61977012	EXPECT TO SHIP WEEK OF EXPEDITION PREVUE LE SEE ITEM
REFER TO THIS NUMBER IN ALL CORRESPONDENCE MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE		REQUIRED SHIP DATE DATE D'EXPEDITION REQUISE ASAP	DATE	AUG 24 99
20NET 30	SALESMAN VENDEUR 622	NO ADJUSTMENTS AFTER PAS DE MODIFICATIONS APRES LE N/A	ACKNOWLEDGEMENT NUMBER N° D'ACCUSE DE RECEPTION 908103699	TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.) WATERLOO, ONTARIO

TAB 16

ACKNOWLEDGEMENT

LA-Z-BOY CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

CUST. SERVICE (519) 886-0399

QUANTITY ORDERED / QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE PRIX UNITAIRE
ACKNOWLEDGED--THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103699 PRIOR TO AUG 18 99.				
3	010466	E437307	HAVOAK FINISH, ETB: SEP 10	378.00
3	010466	E437384	HAVOAK FINISH, ETB: SEP 11	378.00
3	010466	E437326	HAVOAK FINISH, ETB: SEP 04	378.00
3	010554	E437384	*****LINE CANCELLED*****	
3	010554	E437307	HAVOAK FINISH, MCDONALD, ETB: SEP 11	428.00
3	010554	E437326	HAVOAK FINISH, ETB: SEP 11	428.00
3	010554	GL463107	*****LINE CANCELLED*****	
3	010554	GL463183	*****LINE CANCELLED*****	
3	010550	E437307	HAVOAK FINISH, ETB: SEP 10	428.00
3	010550	E437384	HAVOAK FINISH, ETB: SEP 11	428.00
3	010550	E437326	HAVOAK FINISH, ETB: SEP 04	428.00

***** G.S.T. NOT INCLUDED ***** **ACKNOWLEDGEMENT** PAGE 1 OF 1

PRICES FIRM UNLESS SHIPMENT DELAYS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.

*OCEANEX P & C

SALES PROGRAM / PROGRAMME DE VENTE

17/6/99

REFER TO THIS NUMBER IN ALL CORRESPONDENCE / MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE

SERVICE CHARGE OF 1 1/4% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON OVERDUE ACCOUNTS. / FRAIS DE CREDIT DE 1 1/4% PAR MOIS (18% PAR ANNEE) APPLICABLE SUR LES COMPTES EN SOUFFRANCE.

P.O. NUMBER / N° DU BON DE COMMANDE	C1044515	EXPECT TO SHIP WEEK OF / EXPEDITION PREVUE LE	SEE ITEM
ACCOUNT NUMBER / N° DE COMPTE	61977012	REQUESTED SHIP DATE / DATE D'EXPEDITION REQUISE	ABAP
		DATE	AUG 18

TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.)

SALESMAN / VENDEUR	622	NO ADJUSTMENTS AFTER / PAS DE MODIFICATIONS APRES LE	N/A	ACKNOWLEDGEMENT NUMBER / N° D'ACCUSE DE RECEPTION	908103699	TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.)	WATERLOO, ONTARIO
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MODALITES: ZONET 30

ACKNOWLEDGEMENT

LA-Z-BOY CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

CUST. SERVICE (519) 886-0399

QUANTITY ORDERED / QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE PRIX UNITAIRE
ACKNOWLEDGED--THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103699 PRIOR TO AUG 23 99.				
3	010466	E437307	HAVOAK FINISH, ETB: SEP 10	378.00
3	010466	E437384	HAVOAK FINISH, ETB: SEP 11	378.00
3	010466	E437326	HAVOAK FINISH, ETB: SEP 04	378.00
3	010554	E437384	*****LINE CANCELLED*****	
3	010554	E437307	HAVOAK FINISH, MCDONALD, ETB: SEP 11	428.00
3	010554	E437326	HAVOAK FINISH, ETB: SEP 11	428.00
3	010554	GL463107	*****LINE CANCELLED*****	
3	010554	GL463183	*****LINE CANCELLED*****	
3	010550	E437307	HAVOAK FINISH, ETB: SEP 10	428.00
3	010550	E437384	HAVOAK FINISH, ETB: SEP 11	428.00
3	010550	E437326	HAVOAK FINISH, ETB: SEP 04	428.00

***** G.S.T. NOT INCLUDED ***** **ACKNOWLEDGEMENT** PAGE 1 OF 1

PRICES FIRM UNLESS SHIPMENT DELAYS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.

*OCEANEX P & C

SALES PROGRAM / PROGRAMME DE VENTE

REFER TO THIS NUMBER IN ALL CORRESPONDENCE / MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE

SERVICE CHARGE OF 1 1/4% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON OVERDUE ACCOUNTS. / FRAIS DE CREDIT DE 1 1/4% PAR MOIS (18% PAR ANNEE) APPLICABLE SUR LES COMPTES EN SOUFFRANCE.

P.O. NUMBER / N° DU BON DE COMMANDE	C1044515	EXPECT TO SHIP WEEK OF / EXPEDITION PREVUE LE	SEE ITEM
ACCOUNT NUMBER / N° DE COMPTE	61977012	REQUESTED SHIP DATE / DATE D'EXPEDITION REQUISE	ABAP
		DATE	AUG 23

TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.)

SALESMAN / VENDEUR	622	NO ADJUSTMENTS AFTER / PAS DE MODIFICATIONS APRES LE	N/A	ACKNOWLEDGEMENT NUMBER / N° D'ACCUSE DE RECEPTION	908103699	TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.)	WATERLOO, ONTARIO
--------------------	-----	--	-----	---	-----------	--	-------------------

MODALITES: ZONET 30

QUANTITY ORDERED QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	LAZ-BOY CANADA LIMITED	PHONE: (519) 886-3440	UNIT PRICE PRIX UNITAIRE
ACKNOWLEDGED--THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103696 PRIOR TO AUG 24 99.						24 99.
1	033466	E437307	HAVOAK FINISH, ETS: SEP 18			660.00
1	033466	E437384	HAVOAK FINISH, ETS: SEP 11			660.00
1	033466	E437326	HAVOAK FINISH, ETS: SEP 04			660.00
2	030518	E437307	HAVOAK FINISH, ETS: SEP 18			813.00
1	030518	E437384	HAVOAK FINISH, ETS: SEP 11			813.00
1	030518	E437326	HAVOAK FINISH, ETS: SEP 04			813.00
1	030554	E437384	*****LINE CANCELLED*****			
1	030554	E437307	*****LINE CANCELLED*****			
1	030554	E437326	*****LINE CANCELLED*****			
2	035554	E437307	*****LINE CANCELLED*****			
1	035554	E437326	HAVOAK FINISH, ETS: SEP 18			913.00

***** G.B.T. NOT INCLUDED ***** PAGE 1 OF 1
 TERMS/PRICES FIRM UNLESS SHIPMENT DELAY IS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.
 *OCEANEX P & C

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

SALES PROGRAM / PROGRAMME DE VENTE
 C1044515
 ACCOUNT NUMBER
 N° DE COMPTE
 61977012
 EXPECT TO SHIP WEEK OF
 EXPEDITION PREVUE LE
 SEE IT

REQUESTED SHIP DATE
 DATE D'EXPEDITION REQUISE
 ABAP
 AUG 24 99

20NET 30

622 N/A 908103696 WATERLOO, ONTARIO

QUANTITY ORDERED QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	LAZ-BOY CANADA LIMITED	55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7 PHONE: (519) 886-3440	UNIT PRICE PRIX UNITAIRE
ACKNOWLEDGED--THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103696 PRIOR TO AUG 25 99.						25 99.
1	033466	E437307	HAVOAK FINISH, ETS: SEP 18			660.00
1	033466	E437384	HAVOAK FINISH, ETS: SEP 11			660.00
1	033466	E437326	HAVOAK FINISH, ETS: SEP 04			660.00
2	030518	E437307	HAVOAK FINISH, ETS: SEP 18			813.00
1	030518	E437384	HAVOAK FINISH, ETS: SEP 11			813.00
1	030518	E437326	HAVOAK FINISH, ETS: SEP 04			813.00
1	030554	E437384	*****LINE CANCELLED*****			
1	030554	E437307	*****LINE CANCELLED*****			
1	030554	E437326	*****LINE CANCELLED*****			
2	035554	E437307	*****LINE CANCELLED*****			
1	035554	E437326	*****LINE CANCELLED*****			

***** G.B.T. NOT INCLUDED ***** PAGE 1 OF 1
 TERMS/PRICES FIRM UNLESS SHIPMENT DELAY IS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.
 *OCEANEX P & C

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

SALES PROGRAM / PROGRAMME DE VENTE
 C1044515
 ACCOUNT NUMBER
 N° DE COMPTE
 61977012
 EXPECT TO SHIP WEEK OF
 EXPEDITION PREVUE LE
 SEE IT

REQUESTED SHIP DATE
 DATE D'EXPEDITION REQUISE
 ABAP
 AUG 25 99

X 20NET 30

622 N/A 908103696 WATERLOO, ONTARIO

ACKNOWLEDGEMENT

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

QUANTITY / QUANTITE	STYLE / GENRE	COVER / HOUSSE	ADDITIONAL DESCRIPTION / RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE / PRIX UNITAIRE
ACKNOWLEDGED-THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103696 PRIOR TO AUG 19 99				
1	033466	E437307	HAVOAK FINISH, ETB: SEP 10	660.00
1	033466	E437304	HAVOAK FINISH, ETB: SEP 11	660.00
1	033466	E437326	HAVOAK FINISH, ETB: SEP 04	660.00
1	030510	E437307	HAVOAK FINISH, ETB: SEP 10	813.00
1	030510	E437304	HAVOAK FINISH, ETB: SEP 11	813.00
1	030510	E437326	HAVOAK FINISH, ETB: SEP 04	813.00
1	030554	E437304	*****LINE CANCELLED*****	
1	030554	E437307	HAVOAK FINISH, MCDONALD, ETB: SEP 11	845.00
1	030554	E437326	HAVOAK FINISH, ETB: SEP 11	845.00
1	035554	E437307	*****LINE CANCELLED*****	
1	035554	E437326	HAVOAK FINISH, ETB: SEP 11	913.00

***** G.S.T. NOT INCLUDED *****
ACKNOWLEDGEMENT PAGE 1 OF 1
 TERMS: PRICES FIRM UNLESS SHIPMENT DELAY IS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.
 *OCEANEX P & C

IF EQ: SERVICE CHARGE OF 1 1/2% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON OVERDUE ACCOUNTS.
 FRAIS DE CREDIT DE 1 1/2% PAR MOIS (18% PAR ANNEE) APPLICABLE SUR LES COMPTES EN SOUFFRANCE.

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

P.O. NUMBER / N° DU BON DE COMMANDE: C1044515
 ACCOUNT NUMBER / N° DE COMPTE: 61977012
 REQUESTED SHIP DATE / DATE D'EXPIRATION REQUISE: ABAP
 DATE: AUG 18

REFER TO THIS NUMBER IN ALL CORRESPONDENCE / MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE
 NO ADJUSTMENTS AFTER / PAS DE MODIFICATIONS APRES LE: N/A
 ACKNOWLEDGEMENT NUMBER / N° D'ACCUSE DE RECEPTION: 908103696
 TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.): WATERLOO, ONTARIO

SALES PROGRAM / PROGRAMME DE VENTE: 13,856

ACKNOWLEDGEMENT

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

FAX (519) 886-3440
CUST. SERVICE (519) 886-3440

QUANTITY / QUANTITE	STYLE / GENRE	COVER / HOUSSE	ADDITIONAL DESCRIPTION / RENSEIGNEMENTS ADDITIONNEL	UNIT PRICE / PRIX UNITAIRE
ACKNOWLEDGED-THIS SUPERSEDES ALL ACKNOWLEDGMENTS FOR 908103696 PRIOR TO AUG 23 99				
1	033466	E437307	HAVOAK FINISH, ETB: SEP 10	660.00
1	033466	E437304	HAVOAK FINISH, ETB: SEP 11	660.00
1	033466	E437326	HAVOAK FINISH, ETB: SEP 04	660.00
1	030510	E437307	HAVOAK FINISH, ETB: SEP 10	813.00
1	030510	E437304	HAVOAK FINISH, ETB: SEP 11	813.00
1	030510	E437326	HAVOAK FINISH, ETB: SEP 04	813.00
1	030554	E437304	*****LINE CANCELLED*****	
1	030554	E437307	HAVOAK FINISH, MCDONALD, ETB: SEP 11	845.00
1	030554	E437326	HAVOAK FINISH, ETB: SEP 11	845.00
1	035554	E437307	*****LINE CANCELLED*****	
1	035554	E437326	HAVOAK FINISH, ETB: SEP 11	913.00

***** G.S.T. NOT INCLUDED *****
ACKNOWLEDGEMENT PAGE 1 OF 1
 TERMS: PRICES FIRM UNLESS SHIPMENT DELAY IS REQUESTED OR ACCOUNT IS ON CREDIT HOLD.
 *OCEANEX P & C

IF EQ: SERVICE CHARGE OF 1 1/2% PER MONTH (18% PER ANNUM) WILL BE CHARGED ON OVERDUE ACCOUNTS.
 FRAIS DE CREDIT DE 1 1/2% PAR MOIS (18% PAR ANNEE) APPLICABLE SUR LES COMPTES EN SOUFFRANCE.

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

P.O. NUMBER / N° DU BON DE COMMANDE: C1044515
 ACCOUNT NUMBER / N° DE COMPTE: 61977012
 REQUESTED SHIP DATE / DATE D'EXPIRATION REQUISE: ABAP
 DATE: AUG 23

REFER TO THIS NUMBER IN ALL CORRESPONDENCE / MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE
 NO ADJUSTMENTS AFTER / PAS DE MODIFICATIONS APRES LE: N/A
 ACKNOWLEDGEMENT NUMBER / N° D'ACCUSE DE RECEPTION: 908103696
 TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.): WATERLOO, ONTARIO

TAB 17

ALLAN MORGAN AND SONS LTD. Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403
Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: ANNIE BURBINE (P) 902-667-2487
LA-2-BOY (P) 1-902-667-0286 Attn: BONNIE & or DANNY
 From: PERRY MORGAN Date: August 27, 1999
 _____ pages including cover sheet. 2nd FAX 8/27/99
 Re: Current Price List

Please confirm the style 554 is the only style LA-2-Boy
 has made exclusive to the category. We are raising the
 prices of the following models: 235; 237; 411; 505;
 506; 512; 515; 516; 519; 523; 529; 554; 558; 560
 568; 636; 825; 837.

Is it safe to assume that except for the style 554
 these other styles are on the awaited U.S. price list.

Thank you
 Any idea when this ~~new~~ other price list
 will be mailed out?
 P.S. Can we use old price list for declining refer.

Allan Morgan & Sons Ltd.
P.O. Box 430
Clarke's Beach, Nf.
AOA 1W0

LA-Z-BOY LTD.
Attn: Patrick H. Norton
Chairman

Dear Sirs:

During the last year 1998-99 La-Z-Boy has implemented new policies for non-gallery accounts, however it is our understanding that other non gallery dealers in NFLD., are not subject to all the same policies.

Please clarify the following

Exclusive Styles

- Policy** Removal of the 554 style from all-non-gallery line ups
- Result** August 1999 show order reduced from \$49,000 to almost \$ 24,000 (see acknowledgments #908103696/698/699).
Since it's introduction 3 years earlier it has become our best selling style.
- Concern** The effect this policy will have on future sales (1998 purchases \$135,000.00) and your future evaluation of our account (Iain Douglas letter dated July 5, 1999)

New Order Procedure

- Policy** All orders must be sent direct to sales reps.
- Result** Previous 20 years, all orders were phoned or faxed direct to factory. Now increased chance of human error.
- Concern** If sales representative is delayed in forwarding any orders to La-Z-Boy (ie. Illness, holidays etc.) Is there an alternate route available for all accounts? (Gallery & Non-Gallery).

No Fabric List

- Policy** Removal of fabric list from price list after twenty years.

- Result** We are unable to know if we have in our samples all available fabric from which we may order.
- Concern** Missing fabric samples may reduce possible tag orders, a big part of any business.

Exclusive Fabric

- Policy** New JL leather introduced 1998 and made exclusive to Gallery accounts only.
- Result** Unable to buy La-Z-Boy newest and best leather. We have only bought the GL and HL leathers in the past and never the lower price leathers.
- Concern** As new leathers and fabrics are made exclusive to gallery accounts, options will become limited and may result in poor future sales. (Account evaluation)

Promotion

- Policy** After twenty years our exclusion from all La-Z- Boy promotions.
- Result** Unable to promote or advertise the La-Z-Boy products in the same manner as other dealers.
- Concern** The public perception that we as a non gallery account are not supported by the La-Z-Boy Organization.

As we were your first dealer in Newfoundland (approx. 100km from St. John's) and have remained a loyal promoter of all you products for over twenty years, we would appreciate you immediate attention to our concerns.

Regards,

Perry Morgan
Manager/Director

cc: Iain Douglas, Vice President, Sales & Marketing
cc: Mark Wiltshire, National Sales Manager

TAB 19

September 27, 1999

Allan Morgan and Sons Ltd. Furniture & Appliances
Attn: Perry Morgan
P.O. Box 430
Clarke's Beach, NF A0A 1W0

Dear Perry:

On September 7th, 1999 you sent a letter to Mr. Pat Norton and the same letter to myself. He has asked me to respond and clarify your concerns.

Exclusive styles

The 554 has not been removed from all non-Gallery line-ups.

New Order Procedure

All orders must be sent to your Sales & Marketing Consultant's office. We were receiving orders with mistakes or missing information. This way, all orders reaching our order desk will be correct and can be processed quickly.

No Fabric List

Danny has assured the office that he will keep you up-to-date on fabric swatches.

Exclusive Fabrics

JL tannage in Canada has always been exclusive to our Galleries. Your purchases have been in GL, HL and BL and these are certainly still available to you.

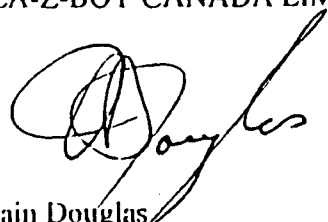
Promotions

You have not been excluded from all La-Z-Boy promotions. We have dramatically reduced the type and number of promotions because of our overall price reduction. There will still be promotions from time to time in which you will be able to participate.

Thanks for your interest and we wish you continued success.

Sincerely,

LA-Z-BOY CANADA LIMITED



Iain Douglas
Vice-President, Sales & Marketing

ID/kl

Cc: Mark Wiltshire, National Sales Manager
Danny Burbine, Sales & Marketing Consultant

Allan Morgan & Sons Ltd.
P.O.Box 430
Clarke's Beach , Nfld.
AOA-1W0

LA-Z-BOY Ltd.
Attn: Iain Douglas
Vice-President, Sales & Marketing

Dear Sirs:

Received your letter , dated September 27,1999, and while it does address our concerns, it does not clarify them.

Exclusive Styles

AS the # 554 style is in the non-gallery line-up , why was it deleted from our August show order?(\$24,694.00) Ack.# 908103696 / 698 /699

The # 554 style has been our best seller the previous 2 years.

Also you have not addressed our concern as to how the removal of the # 554 style will be reflected in your future evaluation of our account, or can we now expect the original order to be filled as requested.

New Order Procedure

AS none of our other suppliers have such a policy , we again ask , if our sales representative is delayed in forwarding our order , what alternative order route will be available to all your dealers?

Promotions

We have been informed that due to the location of a gallery account , we could no longer be listed as a La-z-boy dealer.(La-z-boy telephone directory . Our listing was removed.)

Also we have been denied access to any promotion La-z-boy has offered in the previous two years. Are you now saying that in the future we will again be included in these promotions?

Leather Price Increase

Please confirm this price increase is for both gallery and non-gallery accounts. We ask this as none of our other suppliers of leather goods has had such a dramatic increase.(ex. Style #10-550 GL leather , price increase + \$100.00)

Price List

Please advise as to the expected mailing date of the following:

(1) price list for reclining sofas (new August 1,1999)

(2) new price list for reclining chairs:

Model #s (235 ; 237 ; 411 ; 505 ; 506 ; 512 ; 515 ; 516 ; 519 ; 523 ; 529 ; 554 ; 558 ; 560 ; 568 ; 636 ; 825 ; 837 .)

(3) price list for all U.S. made product , in U.S. dollars.

Regards,

Perry Morgan
Manager/Director

Cc: Patrick H. Norton , Chairman

Cc; Mark Wiltshire , National Sales Manager

Cc; Danny Burbine , Sales & Marketing Consultant

cc;

***** -JOURNAL- ***** DATE 10-19-1999 ***** TIME 08:45AM *****

NO.	COM	PAGES	DURATION	X P	IDENTIFICATION	DATE	TIME	DIAGNOSTIC
28	01	04	00:01:53	XMT	T	17543844834	10-19	08:45AM 840440HC2800

-Allen Morgan & Sons Ltd. -

***** 1 709 786 6403- *****



TAB 21
C 1058664

LA-2-Boy
DANNY BURBINE
P) 902-667-2487
F) 902-667-0286
Nov 4/88

Allen Morgan Sons Ltd 10505
BIRCH HILLS BAY ROBERTS
NFD
787 786 2100 787 786 6403
ASAP

Placed order dept

1	30-554 x	E437307	Call Mrs. Hudson 598-2094	1277
1	30-554 x	E437326	Call Mrs. Hudson 598-2094	1278
1	30-554	GL463107	I	
2	10-554	E437307	I	
2	10-554 ix	E437326	Call Mrs. Hudson 598-2094 when convenient	
2	10-554	GL463107	S.R.	

Card # 5499 Dec 18, 1988 #9031
LINSER 596-3574 + (check)

As per conversation today with JAIN DOUGLAS
As this order is not going to be received by us in time for
Christmas sales, we will be re-ordering the remainder of our cancelled
order at the January Jan Show
THANKS!

Berry Morgan

CANTREX GROUP INC.
10000 W. 10TH AVE. #100
DENVER, CO 80231

10 0210 1781 0001

SUPPLIER'S COPY

ALLAN MORGAN AND SONS LTD.

Furniture & Appliances

Birch Hills, Hwy Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 706-6003
Mailing Address: P.O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: Bonnie @ La-2-Boy Attn: _____

From: Claudine Moore Date: May 17, 2001

_____ pages including cover sheet.

Please cancel the following order C.1255463 + confirm
cancellation

Thanks in advance,
Claudine Moore

Perry:

In answer to your phone call concerning shade. The shade on this leather car vary between regular burgundy and very dark burgundy.

In answer to your other comment re matching. No, La-2-Boy does not match. (all of the pieces of the leather so that they all match on the set. The leather is cut from the necessary hides needed and if all of the leather is dyed all the same and looks the same there it matches however if pieces are a different dye lot they are still put on the set because this is the type of leather it is.

They do not guarantee a match.

L.A-Z-BOY INCORPORATED
SUITE 200 1500 TELEGRAPH RD.
MONROE, LA 70462

INVOICE

L.A-Z-BOY

555 COLUMBIA ST
MONROE, LA 70462
(504) 885-3440

QUANTITY QUANTITY
SUBJECT EXPENSE BALANCE
DATE

LINE	QUANTITY	UNIT PRICE	AMOUNT	TAX	TOTAL
040554	27.41	27.41	750.00	203.16	953.16
040554	27.41	27.41	750.00	203.16	953.16
040554	54.82	54.82	3000.00	816.32	3816.32
040554	27.41	27.41	750.00	203.16	953.16
TOTAL					1557.60

Quantities ✓
Prices ✓
Extensions ✓
Additions ✓
Approved ✓
Purchase Record pg 36

UNIT LDF 27.41
CANADA EXP-10
DROVER
UNIT LDF 27.41
CANADA EXP-10
DROVER
UNIT LDF 54.82
CANADA EXP-10
DROVER
UNIT LDF 27.41
CANADA EXP-10
DROVER
UNIT LDF 27.41
CANADA EXP-10

ACCOUNT 1170.00
1691.44
1351.40
GST 203.16

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NE AOA 1W0

OUT OF ORDER
A COPY

ALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
RAY ROBERTS
P O BOX 430
CLARKS BEACH NE AOA 1W0

JUL 26 0
1557.6
JUL 10 0
11.9
DISCOUNT AMOUNT
MONTANT DESCOMPTS
1557.6
11730250
6197701

DATE OF PURCHASE JUL 26 1998
DATE OF INVOICE JUL 26 1998
DATE OF BILLING JUL 26 1998
DATE OF PAYMENT JUL 26 1998

TAB 23

CANTREX

1200400
YOUR INVOICE MUST REFER TO THIS NUMBER

SUPPLIER
 La-2-Boy Canada
 NO
 Phone: (902) 667-2481
 Fax: (902) 667-0286

SHIP TO
 NAME: Allan Morgan + Sons Ltd
 MEMBER NO
 ADDRESS: P.O. Box 430, Clark's Beach
 Newfoundland, A0A-1W0
 TEL: (709) 786-2100 FAX: (709) 786-6403

DATE: May 17/01
 VIA: Oceanix
 QUANTITY: 1
 SHIPPING DATE: ASAP
 CANCELLATION DATE:
 PREPAID ORIGINAL CHECK
 COLLECT CONFIRMATION

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	0-1A-554	B475723	Arbor	Left Arm Sitting Recliner	265.00
1	0-1B-554	B475723	Arbor	Right Arm Sitting Recliner	265.00
1	0-1C-554	B475723	Arbor	Corner Unit	280.00
1	0-1H-554	B475723	Arbor	Armless Middle	170.00
1	0-1S-554	B475723	Arbor	Armless Recliner	210.00
1	10-554 SB *	6L746209	Merlot	Rocker Recliner Chair	871.00
Rec'd June 30th Chair only.					1-31 902.00

CANTREX GROUP INC.
 44 St. Germain, St. Laurent, Quebec H4R 2H9
 Tel: (514) 335-0260 Fax: (514) 745-1741
 PROV SALES TAX
 10-0940-1781-0001

TAG
Lori Driver
 CUSTOMER'S NAME
Melinda Skinner
 REFERENCE NO.
3136

Claudine Moore
 BUYER
 APPROVED BY

SUPPLIER'S COPY

INVOICE

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J1N7
PHONE: (519) 886-3440

FAX (519) 886-3440

QUANTITY / QUANTITE	STYLE / MODELE	COVER / TISSU	ADDITIONAL DESCRIPTION / RENSEIGNEMENTS AUTRES	QUANTITY / QUANTITE	BALANCE / SOLDE	UNIT PRICE / PRIX UNITAIRE	EXTENDED AMOUNT / MONTANT REPORTÉ
1	035554 *		C410550 WSHOAK FINISH UNIT FRT141.99 OLIVER	1	0	877.00	877.0
1	04L554 *		C410550 WSHOAK FINISH UNIT FRT 47.33 OLIVER	1	0	384.00	384.0
1	04R554 *		C410550 WSHOAK FINISH UNIT FRT 47.33 OLIVER	1	0	384.00	384.0
1	04X554 *		C410550 WSHOAK FINISH UNIT FRT 47.33 OLIVER	1	0	174.00	174.0
IT MDSE 1819.00FRT 283.98 <i>2102.48</i> GST 315.45 ✓				4	0	TOT:	2418.4

WE warrant the goods and services we provide to the best of our ability and we do not guarantee the warranty quality or performance of our goods and services. We warrant the goods and services we provide to the best of our ability and we do not guarantee the warranty quality or performance of our goods and services.

ALLAN MORGAN & SON LTD
DEAN MORGAN'S FURNITURE
BOY ROBERTS
P O BOX 430
CLARKS BEACH NF A00 1W0

B
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D
O
A

ALLAN MORGAN & SON LTD
DEAN MORGAN'S FURNITURE
BOY ROBERTS
P O BOX 430
CLARKS BEACH NF A00 1W0

TERMS - THE DATE OF ORDER IS THE DATE OF PAYMENT
MODALITE S A PAIEMENT
DISCOUNT DATE
DATE D'ESCOMPTÉ

DEC 9 0
NOV 9 0

ACKNOWLEDGEMENT NUMBER / NO D'ACCUSE DE RECEPTION: 110162077

INVOICE NUMBER / NUMERO DE FACTURE: 13160419

ACCOUNT NUMBER / NUMERO DE COMPTE: 6197701

PAGE 01 OF 01

ALERT PICK UP

DATE SHIPPED / DATE D'EXPEDITION: NOV 9 01

PURCHASE ORDER NUMBER / NO D'ORDRE D'ACHAT: C1255892

SALESMAN / Vendeur: 422

110162079

1	04X-554	C410550 (Black)	Console w/drawers.	174.00
	<i>Rec'd Nov 10 1</i>	<i>(Finish.-(068)</i>	<i>washed oak.</i>	
			<i>Nov 5</i>	
			<i>110162079</i>	

CANTREX GROUP INC. 4445, Grand, St-Laurent, Quebec H4R 2H9 Tel.: (514) 335-0260 Fax: (514) 745-1741 PROV. SALES TAX 10-0940-1781-0001	TAG D. Oliver CUSTOMER'S NAME # 4666 REFERENCE NO.	W. Morgan BUYER WADE MORGAN APPROVED BY
---	--	--

SUPPLIER'S COPY

ORDER FORM



C 13114490
 YOUR INVOICE MUST REFER TO THIS NUMBER 02-01

SUPPLIER		SHIP TO	
La-2-Boy Phone: 902-667-2487 Fax: 902-667-0286		NAME: Allan Morgaw + sons Ltd ADDRESS: P.O. Box 430, Clarks Beach Newfoundland, A0A-1W0 TEL: (109) 786-2100 FAX: (109) 786 6403	

DATE: Apr 26/02	VIA: Oceanex	TERMS:	SHIPPING DATE: ASAP	CANCELLATION DATE:	PREPAID <input checked="" type="checkbox"/>	ORIGINAL ORDER <input checked="" type="checkbox"/>
					CHECKED <input type="checkbox"/>	CONFIRMATION <input checked="" type="checkbox"/>

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	554-04A	K724728		Left Arm Sitting Recliner	345.00
1	554-04B	K724728		Right Arm Sitting Recliner	345.00
1	554-04C	K724728		Corner Unit	360.00
1	554-04T	K724728		Armless Middle w/drawer + table	300.00

CANTREX GROUP INC. 4445, Garand, St-Laurent, Quebec H4R 2H9 Tel.: (514) 335-0260 Fax: (514) 745-1741	TAG Kelly McCarthy CUSTOMER'S NAME	Claudine Moore BUYER
PROV. SALES TAX 10-0940-1781-0001	REFERENCE NO.	APPROVED BY

SUPPLIER'S COPY

TAB 24

LA 2-Boy

NAME: Allan McCas & Sons 110557
 ADDRESS: P.O. Box 430 MARKES BEACH
 NFD AOA '100 02-02
 TEL: 789-786-2100 FAX: 789-786-6403

1 DANNY OR BONNIE
 902-667-2487
 902-667-0286

ISSUE DATE: APR 26/02 VIA: TERMS: SHIPPING DATE: ASAP CANCELLATION DATE: PREPAID COLLECT CONFIRMATION

June 22/02

QTY	MOBIL	FINISH	CATEGORY	DESCRIPTION	PRICE
2	05-230	A750328	olive	(2) x	✓
2	05-230	A750309	wine	(2) x	✓
2	05-230	A750384	midnight	(2) x	✓
2	05-512	A717409	white	(2) x	✓
2	05-512	A717484	INDIGO	(2) x	✓
2	05-512	A717423	THYME	(2) x	✓
1	05-512	D725209	Burgundy	(1) x	

As per telephone conversation today please advise pricing of style # 554 sectional pieces for floor stock. GRADED. Also when convenient please send letter as to LA-2-Boy style, floor stock & price list policy concerning the 554 sectional.

THANK-YOU
 PERRY

APPROVED BY: *[Signature]*

PROV SALES TAX 10-0940-1781-0001

10-0940-1781-0001

SUPPLIER'S COPY

TAB 25

Allan Morgan & Sons Ltd.
P.O.Box 430
Clarkes Beach , Nfld.
A0A - 1W0

La-Z-Boy
Danny Burbine

May 1, 2002

Bonnie

As per our conversation April 25,2002 , I would appreciate clarification of the currently outstanding issue . The availability of the style # 554 sectional to Morgan's.

It was our understanding , until this conversation, that the #554 sectional was available to us to sell , as we did stock and display the style . Your records should show that we did purchase some #554 sectional pieces in 2001. This has been the arrangement since that last meeting with Mark Wiltshire .

Now it is our understanding that La-Z-Boy states all dealers must stock and display the actual styles and pieces (sectional)in order to sell them . To sell a #554 sectional a dealer must display it. Having two # 30-554 reclining sofas and at least five # 10-554 reclining chairs on display 365 days of the year is not adequate .Is this correct or did we misunderstand ?

We were able to sell one sectional by having the customer sit in the sofa on display. See order # C1304490 ,dated April 26, 2002.

Please advise the status of this order . If the order is declined please notify us so that we may sell our customer another sectional .

As a week has gone by and we have yet to receive a answer to our original telephone request we assume that you have been too busy to contact us . As this probably is the case we will try to contact you on Thursday if we do not receive a reply to this written request .

Hope to hear from you soon .

Perry

1-800-368-7222



CANTREX

PAID May 3 2002

ORDER NUMBER
C1304490
YOUR ORDER MAY REFER TO THIS NUMBER

ORDER FORM

La-2-Bay Phone: 902-667-2487 Fax: 902-667-0286	NAME: Allan Morgan + Sons Ltd ADDRESS: P.O. Box 430, Clarks Beach Newfoundland A0A-1W0 TEL: 709-786-2100 FAX: 709-786-6403
--	---

DATE: Apr 26/02	ITEM: Oceanex	SHIPPING DATE: A500	CANCELLATION DATE:	<input type="checkbox"/> Collect <input type="checkbox"/> Cash
-----------------	---------------	---------------------	--------------------	---

QTY	Model	Part No.	DESCRIPTION	PRICE
1	554-04A	K724728	Left Arm Sitting Recliner	345.00
1	554-04B	K724728	Right Arm Sitting Recliner	345.00
1	554-04C	K724728	Corner Unit 435	360.00
1	554-04T	K724728	Armless Middle w/drawer + table	300.00

This is a Thomas Kinkadee fabric that is a fabric that is exclusive to Ballines. Since you are not stocking this sectional on your floor, this is not available to you.

Kelly McCarthy <small>CUSTOMER'S NAME</small>	Claudine Moore <small>SALES</small>
REFERENCE NO.	APPROVAL

SUPPLIER'S COPY

TOTAL P.01

TAB 28
02-03

204150409

INVOICE

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7 CUST. SERVICE PH. IE: (519) 886-3444
CUST. SERVICE FAX: (519) 886-2592

QUANTITY / QUANTITE	SHIPPED / EXPEDIE	BALANCE / SOLDE	UNIT PRICE / PRIX UNITAIRE	EXTENDED AMOUNT / MONTANT REPOUVE
1		0	1876.00	1876.00
2		0	884.00	1768.00
2		0	915.00	1830.00
<p>MDEE: 5474.00FRT 331.59 GST 870.86 5 0 TOT: 38 6676.45</p>				

* (1)
* (2)
* (1)
2 sub SB + 2 unit SIB

CH

MATERIALS WILL ONLY GIVE SERVICE IN PROPORTION TO THEIR QUANTITY AND USE. WE DO NOT GUARANTEE THE WEARING QUALITY OR FAIRNESS OF COLORINGS.
MATERIELS NE DONNERONT QUE SERVICE EN PROPORTION A LEUR QUANTITE ET A LEUR USAGE. NOUS NE GARANTISSONS NI LA TENUE NI LA RESISTANCE DES COULEURS.

LAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
BY ROBERTS
CLARKS BEACH

VALLAN MORGAN & SON LTD
DBA/MORGAN'S FURNITURE
BY ROBERTS
CLARKS BEACH

TERMS - FROM DATE OF SHIPMENT (NO ANTICIPATION)
MODALITES A PARTIR DE LA DATE D'EXPEDITION (PAS D'ANTICIPATION)
02 JUL 20 02

PAY THIS AMOUNT IN CANADIAN FUNDS BEFORE DISCOUNT DATE
PAYER CE MONTANT EN DEVOIRS CANADIENS AVANT LA DATE LIMITE POUR LA REMISE

DISCOUNT DATE / DATE D'ESCOMPTE: JUL 10 02

DISCOUNT AMOUNT / MONTANT D'ESCOMPTE: 54.74

ACKNOWLEDGEMENT NUMBER / NO D'ACCUSE DE RECEPTION: 204150409

PAY THIS AMOUNT IN CANADIAN FUNDS AFTER DISCOUNT DATE
PAYER CE MONTANT EN DEVOIRS CANADIENS APRES LA DATE LIMITE

INVOICE NUMBER / NUMERO DE FACTURE: 217204000
ACCOUNT NUMBER / NUMERO DE COMPTE: 61977012

DATE SHIPPED / EXPEDIE: JUN 20 02	PURCHASE ORDER NUMBER / NO DU BON DE COMMANDE: C1304337	QST # 10300815	SALESMAN / VENDEUR: 622	BILL OF LADING NUMBER / NO DE CONNaisseMENT: 01062458
-----------------------------------	---	----------------	-------------------------	---

ORDER FORM



CANTREX

C 1304337

YOUR INVOICE MUST REFER TO THIS NUMBER

SUPPLIER

LA-2-Boy

NO

902-667-2487

902-667-0286

SHIP TO

NAME: *Anna Morgan & Sons Ltd*

ADDRESS: *P.O. Box 43, CLARKES BEACH Nfld*

ABA-1w0

TEL: *709-786-2103* FAX: *709-786-6403*

DATE: *Apr 11/02* VIA: *CE*

TERMS: *Oceanex 948458 seats 5 Chrs. 17*

SHIPPING DATE: *ASAP*

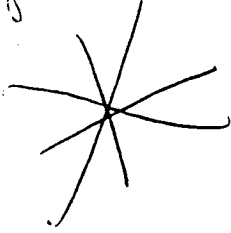
CANCELLATION DATE:

PREPAID ORIGINAL ORDER

COLLECT CONFIRMATION

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
1	30-554	GL746209	* (1) (ONE)	rec'd July 4/02	1876 00
2	10-554	GL746209	* (2) (Two)	rec'd July 4/02	884 00
2	10-554	GL746209 SB	* (4) (Two) (2 with 2-b SB)	rec'd July 4/02	884 00

July 4, 2002



CANTREX GROUP INC.
 4445 Garand, St-Laurent, Quebec H4R 2H9
 Tel: (514) 335-0260 Fax: (514) 745-1741

10-0940-1781-0001

IAS

stock

CUSTOMER'S NAME

REFERENCE NO.

Ann C. Morgan

APPROVED BY

SUPPLIER'S COPY

ALLAN MORGAN AND SONS LTD.
Furniture & Appliances

Birch Hills, Bay Roberts, NF. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P.O. Box 430, Clarke's Beach, NF. A0A 1W0
"Not only great furniture, but a great furniture store."

Fax

To: *Danny Burbine* ⁹⁰²⁻⁶⁶⁷⁻²⁴⁸⁷ ₉₀₂₋₆₆₇₋₀₂₈₆ From: *Perry C. Morgan*
Fax: _____ Pages: *5*
Phone: _____ Date: *SEPT 10, 2002*
Re: _____ CC: _____
 Urgent For Review Please Comment Please Reply Please Recycle

Re the following 4 pages.

We have in stock 4 # 10-554 GL 746209

We have discovered extreme die lot (coloring) differences in the leather.

On a scale of 1 - 10 (1 = Light) → (10 = dark) we have identified the pieces of leather with the lighter tone, by shading the attached pictures

As these are currently on display, please advise whether or not LA-2-Boy considers this variation of tone, on the same chair, to be normal.

Please advise.

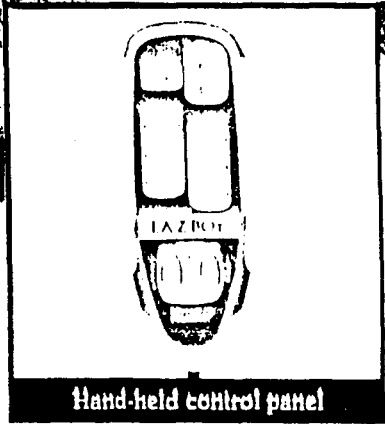
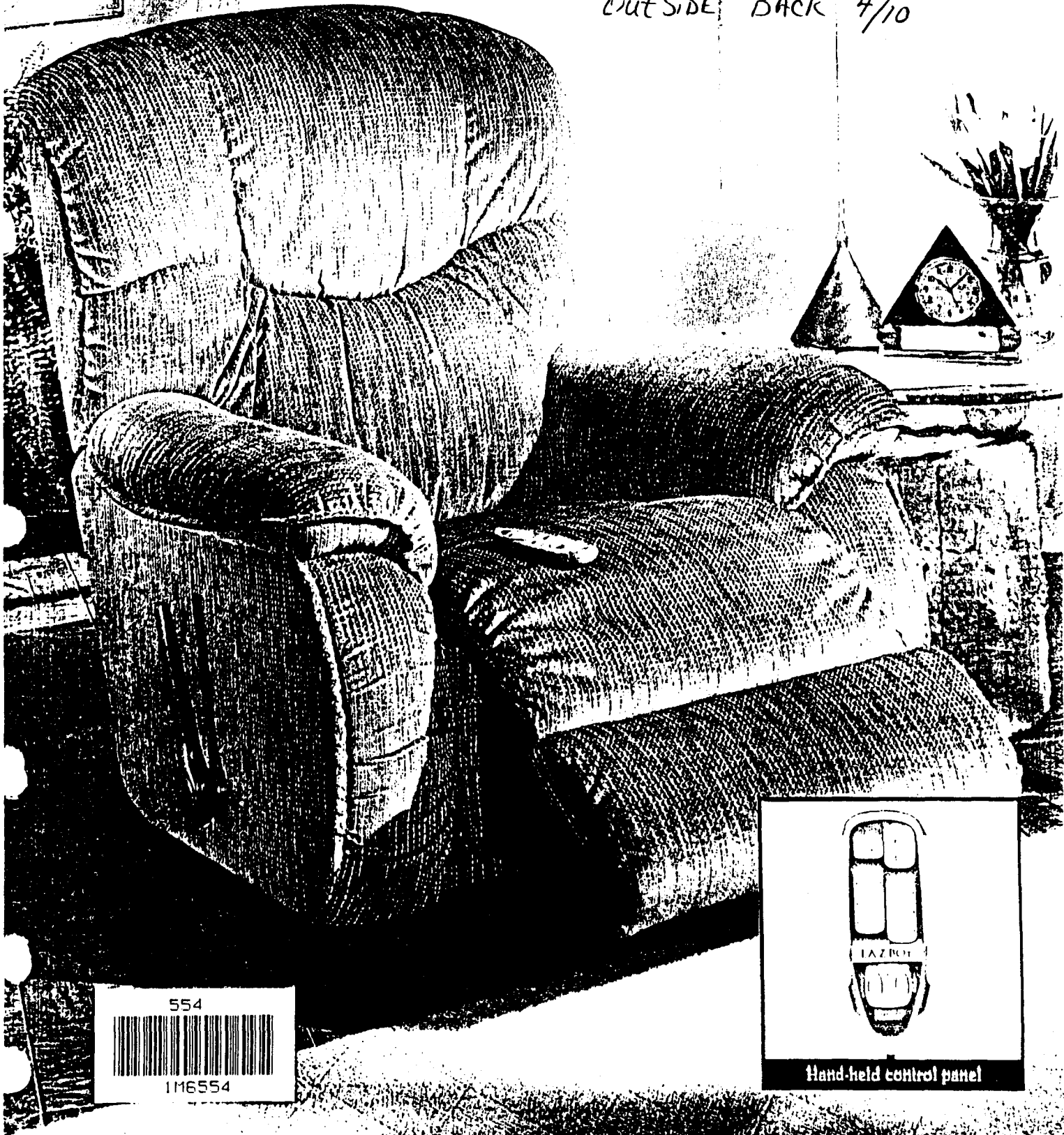
Perry C. Morgan

4/10 - leather is a level 4 on a scale of 1-10

6/10 - LEATHER is a level 6 on a scale of 1-10

Front OK
Back left

Outside BACK 4/10

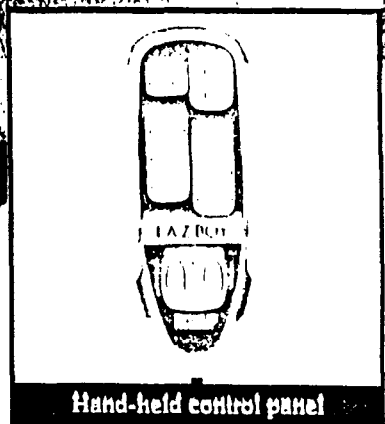
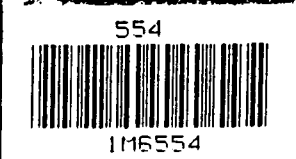


Hand-held control panel

LA-Z-BOY STYLE 554 "DREAMTIME"
U.S. Design Patent No. D378,289

Style 1M6 554 La-Z-Touch® CHAISE Massage/Heat rocker recliner
Style 1N6 554 La-Z-Touch® CHAISE Massage/Heat Reclina-Way® wall chair

Shaded Section 4/10
UNSHADED SECTION 1/10



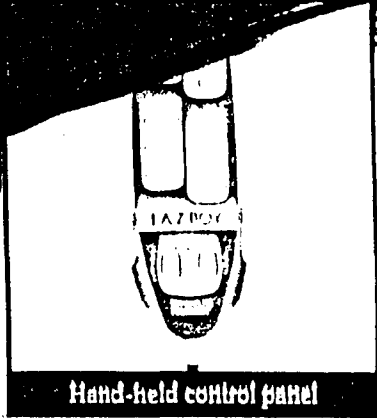
Hand-held control panel

LA-Z-BOY

STYLE 554 "DREAMTIME"
U.S. Design Patent No. D378,285

Style 1M8 554 La-Z-Touch® CHAISE Massage/Heat rocker recliner
Style 1N8 554 La-Z-Touch® CHAISE Massage/Heat Recliner-Way® wall chair

SHADED Section Floor
6/10



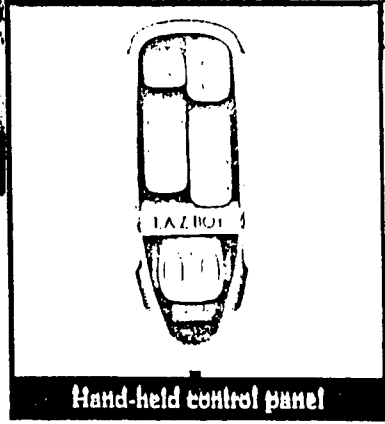
Hand-held control panel

LA-Z-BOY

STYLE 554 "DREAMTIME"
U.S. Design Patent No. D376,265

Style 1M6 554 La-Z-Touch® CHAISE Massage/Heat rocker recliner
Style 1N6 554 La-Z-Touch® CHAISE Massage/Heat Reclina-Way® wall chair

SHADED SECTION 4/10
UNSHADED SECTION 1/10



Hand-held control panel

LA-Z-BOY

STYLE 554 "DREAMTIME"
U.S. Design Patent No. D376,285

Style 1M6 554 La-Z-Touch® CHAISE Massage/Heat rocker recliner
Style 1N6 554 La-Z-Touch® CHAISE Massage/Heat Reclina-Way® wall chair

***** -JOURNAL- ***** DATE 09-10-2002 ***** TIME 01:04PM *****

NO.	COM	PAGES	DURATION	X/R	IDENTIFICATION	DATE	TIME	DIAGNOSTIC
16	OK	05	00:05'57	XMT T	19026670286	09-10	12:58PM	8404402C0800

***** - *****

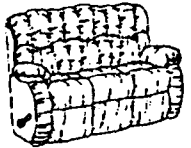
02-10

LA-Z-BOY® Price List

Canada Limited

Motion Upholstery
Canadian Dollars

030-554	DREAMTIME																		Reclina-Way® Full Reclining 3 Cushion Sofa					
	A	B	C	D	E	F	G	H	J	K	L	M	N	BL	AL	EL	FL	GL	HL	JL				
COST	761	783	805	827	848	870	892	914	957	1001	1044	1088	1131	1300	1407	1575	1742	1876	2010	2077				



Chaise

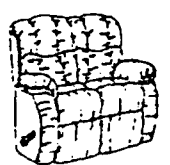
U.S. Design Patent No.390,272
Also available as a recliner.

Cover Availability (CAP Codes): DR, LL, LM, UR, VV
 Standard Finish: (025) Harvest Oak
 Optional Finish(es): (068) Washed Oak, (097) Sunshine Oak
 Options: 2E
 Standard Features: Arm Covers (cloth only), Headrest Cover (cloth only), Sinuous Wire Suspension, Polyurethane Foam Seat Cushions

H: 41" SH: 19.5"
 W: 87" SW: 66"
 D: 38" SD: 22"

F.O.B.: Waterloo (10)

032-554	DREAMTIME																		Reclina-Way® Full Reclining 2 Cushion Love Seat					
	A	B	C	D	E	F	G	H	J	K	L	M	N	BL	AL	EL	FL	GL	HL	JL				
COST	732	754	776	798	819	841	863	885	928	972	1015	1059	1102	1233	1340	1508	1675	1809	1943	2010				



Chaise

U.S. Design Patent No.390,272
Also available as a recliner.

Cover Availability (CAP Codes): DR, LL, LM, UR, VV
 Standard Finish: (025) Harvest Oak
 Optional Finish(es): (068) Washed Oak, (097) Sunshine Oak
 Options: 2E
 Standard Features: Arm Covers (cloth only), Headrest Cover (cloth only), Sinuous Wire Suspension, Polyurethane Foam Seat Cushions

H: 41" SH: 19.5"
 W: 65" SW: 44"
 D: 38" SD: 22"

F.O.B.: Waterloo (10)

Effective 08/15/2002

FRB 29

ORDER FORM



CANTREX

44-128

ORDERING
C1058693

YOUR PRODUCT REPRESENTATIVE IS
YOUR PARTNER

NAME: *Morgan's Furniture*
 ADDRESS: *1514 Roberts*
 CITY: *Box 430, CAKES Beach*
 TEL: *89-788 2100* FAX: *89-788 6403*

DATE: *LA-2-130Y*
 ORDER # *902-667-2487*
 ORDER # *902-667-0286*
 DATE: *02/27/99* NAME: *AL*

ORDER TYPE: *ASAP*
 ORDER # *877-327-770*

FOR CONVERSATION WITH *AL GINGRICH*

ITEM	FINISH	CATEGORY	DESCRIPTION
1	<i>MatchA</i>		<i>Stock waterlog</i>
1	<i>Red oak stained for</i>		<i>3 weekig Karily</i>
			<i>Priority food Monday</i>
			<i>STOOD Friday 584-3281</i>
			<i># 01588 at 7772 584-3281</i>
			<i>Some</i>
			<i>it will take to ship the</i>
			<i>As customer needs this chair separately</i>
			<i>will result in me having to take back the chair.</i>
			<i>THANK-YOU</i>

CANTREX GROUP INC.
 1145, Church St. Lowell, MA 01850
 Tel: (617) 335-0200 Fax: (617) 245-1741

10-0740-1781-0001
 APPROVAL: *Debra Le Stone*
 584-3281

TAB 30

SUPPLIER'S COPY

DUPLICATE INVOICE

01-03-700

LA-Z-BOY

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7

FAX: (519) 886-4322

PHONE: (519) 886-3440

CUSTOMER SERVICE: (519) 886-0380

COVER / MOUSSE	ADDITIONAL DESCRIPTION / RENSEIGNEMENT ADDITIONNEL	QUANTITY / QUANTITE	UNIT PRICE / PRIX UNITAIRE	EXTENDED AMOUNT / MONTANT REPORTE
8230040	HAND CONTROL	1 0	35.00	35.00
	POSTAGE 46.00			
8230039	1L598 MOTOR/	1 0	150.00	150.00
	POSTAGE 0.43			
	185.00 POSTG 46.43			
	GST 6.94	2 0	TOT:	238.39

WE EXPRESS NO WARRANTY AS TO THE QUALITY AND USE, WE DO NOT WARRANT THE WEARABLE QUALITY OR FASTNESS OF COLORING AND WE ARE NOT RESPONSIBLE FOR THE QUALITY OF THEIR APPLICATION, WE DO NOT WARRANT THE COLOR OR THE FASTNESS OF COLORING. LAZBOY COMPANY / MARQUE DÉPOSÉE DE LA LAZ-BOY CHAIR COMPANY

ALLAN MORGAN & SON LTD
 DBA/MORGAN'S FURNITURE
 BAY ROBERTS
 P O BOX 430
 CLARKS BEACH NF A0A 1W0

TERMS - FROM DATE OF SHIPMENT AND INFORMATION
 ÉCHÉANCES À PARTIR DE LA DATE D'ÉMISSION, PAS D'ARRÊTATION, PAS D'ÉMISSION, PAS D'ARRÊTATION, PAS D'ÉMISSION, PAS D'ARRÊTATION

PAY THIS AMOUNT BEFORE DISCOUNT DATE
 RÉGLER CE MONTANT AVANT LA DATE DU RABAIS

DISCOUNT DATE / DATE D'ESCOMPTE

DISCOUNT AMOUNT / MONTANT D'ESCOMPTE

NOV23 99
 238.39

PAGE 01 OF 01

ACKNOWLEDGEMENT NUMBER / NO. D'ACCUSE DE RECEPTION: 911031300

DATE OF ORDER / DATE DE COMMANDE: NOV 5 99

INVOICE NUMBER / NUMÉRO DE FACTURE: 931205124

ACCOUNT NUMBER / NUMÉRO DE COMPTE: 61977012

DANNY BURBINE SALES LTD.

TAB 31

LA-Z-BOY®

P.O. Box 67
Amherst, N.S. B4H 3Y6

(902) 667-2487

Fax: (902) 667-0286

to: Nov 3/99
Perry
at: Bonnie

NO. OF PAGES _____

MESSAGE:

See attached copy of order. I told you on Friday that this order was placed. I also told you on Friday that even if these parts are in stock they could still be 2-3 weeks before you receive these parts. Lo-z-boy has a procedure to follow to order parts and they do not drop everything to enter and send these out. The order is placed and being looked after. As for an exact ship date, you want have this until they are shipped.

copied from order per Kerry Oct 29/99

<small>NO. OF PAGES IN PACKAGE CARRIAGE CHARGE INSURANCE CHARGE POSTAGE TAXES</small>	Customer Order # / Purchase Order # / Invoice # Estimated delivery time as told to June 18 1999 <small>MM DD YYYY</small>	Ack / Inv # / Receipt # / Invoice # 917203132
	Part required (left): / partie pour côté (vue. essise): <input type="checkbox"/> right/droit <input type="checkbox"/> left/gauche <input type="checkbox"/> centre	Perry on Oct 29/99 2-3 weeks
COVER/TISSU	MFG PLANT	TAG

L-578

DUPLICATE INVOICE

LA-Z-BOY
CANADA LIMITED

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

FAX: 519 886-3522
CUSTOMER SERVICE: 519 886-0380

ITEM PART	QUANTITY	STYLE GENRE	COVER MOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENT ADDITIONNEL	QUANTITY SHIPPED QUANTITE ENVOYEE	QUANTITY BALANCE QUANTITE SOLDE	UNIT PRICE PRIX UNITAIRE	EXTENDED AMOUNT MONTANT REPORTE
1	1	01L598230040		HAND CONTROL	1	0	35.00	35.00
				POSTAGE 46.00				
2	1	01L598230039		1L598 MOTOR/ POSTAGE 0.43	1	0	150.00	150.00
TOT MDSE: 185.00 POSTG 46.43					GST 6.94		TOT:	238.39

PROPERTY MATERIALS WILL ONLY BE RETURNED TO THE SUPPLIER FOR REWORK OR REPAIR. WE DO NOT GUARANTEE THE WEAVING QUALITY OR FINISH OF OUR FABRIC.
LES MATERIAUX ASSUREMENT NE SERONT QU'ESTIMES EN FONCTION DE LEUR QUALITE ET DE LEUR UTILISATION. NOUS NE GARANTISONS PAS LA TENUE OU LE BON FINISSEMENT DE NOS TISSUS.

TRADEMARK OF LA-Z-BOY CHAIR COMPANY / MARQUE DEPOSEE DE LA LA-Z-BOY CHAIR COMPANY

<p>ALLAN MORGAN & SON LTD DBA/MORGAN'S FURNITURE BAY ROBERTS P O BOX 430 CLARKS BEACH NF A0A 1W0</p>	<p>ALLAN MORGAN & SON LTD DBA/MORGAN'S FURNITURE BAY ROBERTS P O BOX 430 CLARKS BEACH NF A0A 1W0</p>
--	--

TERMS: FROM DATE OF SHIPMENT
NO ANTICIPATION
CONDITIONS A PARTIR DE LA DATE
D'EXPIEDITION, PAS D'ANTICIPATION
NI DE RESSORTS NI REPURANCE

PAY THIS AMOUNT BEFORE
DISCOUNT DATE
REGLER CE MONTANT AVANT
LA DATE DU RABAIS

DISCOUNT DATE
DATE D'ESCOMPTE

DISCOUNT AMOUNT
MONTANT D'ESCOMPTE

PAY THIS AMOUNT AFTER
DISCOUNT DATE
REGLER CE MONTANT APRES
LA DATE DU RABAIS

ACKNOWLEDGEMENT NUMBER
NO. D'ACCUSE DE RECEPTION
911031300

INVOICE NUMBER
NUMERO DE FACTURE
931205124

ACCOUNT NUMBER
NUMERO DE COMPTE
61977012

ROUTING / ACHÈVEMENT PAGE 01 OF 01

WATERLOO NOV 5 99 C10508693 6225106171 GN 51933

TRB32

CANTREX

YOUR ORDER MUST BE FULFILLED TO THIS ADDRESS

SUPPLIER LA-2-Booy Danny SURBINE (C) 902-667-2487 (F) 902-667-0286 (C) 27/99 MAIL		BUYER NAME: Morgan Furniture ADDRESS: 15th Roberts NFW MAIL: Box 430, CLOCKS BEACH TEL: 787-786 2100 FAX: 787-786 6403	
ORDER DATE:		ORDER DATE: ASAP	
ORDER TYPE:		ORDER TYPE:	

Per conversation with AL GINGRICH 877-327-7700

QTY	MODEL	PRICE	CATEGORY	DESCRIPTION
1	motor		# 01558	Stock waterlog
1	remote control	with cord for	same	3 weeks
Invoice # 917203132 Dated June 18, 1999 Purchased May Sep 14/99		Priority Post Karely Monday Should arrive Friday # 7772 584-3281		
Please advise how long it will take to ship the above order. As customer needs this chair desperately any delay will result in me having to take back the chair.				

CANTREX GROUP INC.
 4115 Grand Blvd. Omaha, Nebraska 68131-2119
 Tel: (414) 245-0200 Fax: (414) 245-1741

Alex LeShane
 CUSTOMER'S NAME
 584-3281

THANK-YOU
 Perry Morgan

10-0940-1701-0001

Derek
 584-
 SUPPLIER'S COPY

DANNY BURBINE SALES LTD.

LA-Z-BOY®

P.O. Box 67
Amherst, N.S. B4H 3Y6

Tel. (902) 667-2487

Fax: (902) 667-0286

Date: Nov 3 1999

To: Ferry

From: Burbine

NO. OF PAGES _____

MESSAGE:

See attached copy of order. I told you on Friday that this order was placed. I also told you on Friday that even if these parts are in stock they would still be 2-3 weeks before you receive these parts. La-Z-Boy has a p... order... see

11-5-99

77-13 B 33

ALLAN MORGAN AND SONS LTD. Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: LA-2-Boy @ 902-667-2487
@ 902-667-0286 Attn: Danny or Bernard
From: Percy Shear Date: Nov 2, 1999

... pages including cover sheet.

Re: Parts for lift chair
I think anyone I can call you will be able to advise me of the status of this order (ie @ are parts in Waterloo @ Expected mail date). My customer is looking for a confirmed date.

Also while we did receive the single arm (GL463107) for refs # 30-554 we did not find the listed tent of liquid in the same package. There is a scratch mark on inside back of box.

Our problem is we have this up and ready for delivery.

As you can see I got a bottle of the liquid up liquid as is some mystery else I can use.

Some one from your store called and I re-ordered on Oct 15/99. Usually 3-4 weeks to get parts.

Percy-parts ARE BE ORDERED. PATIEN

47-18
TAB 34

ORDER FORM



ORDER NO
c1058872
YOUR INVOICE MAY REFER TO THIS NUMBER.

SUPPLIER		SHIP TO	
The 2 Day Canada 902-667-2427 902-667-2286		NAME: <i>Alfon ...</i> ADDRESS: <i>P.O. Box 230 Clarke Beach Nfld. A0A-1W0</i> TEL: <i>709-786-6407</i> FAX: <i>709-786-9105</i>	

VIA	TERMS	SHIPPING DATE	CANCELLED DATE	ORDER NO

QTY	MOQ	UNIT	CATEGORY	DESCRIPTION
2	10-411		E437307	
<p>Please note: This style is not available. Please see your pink Canadian chair price list for current styles available to you.</p>				

TAG	CUSTOMER'S NAME	APPROVAL
	<i>Mr. Newirth</i>	<i>[Signature]</i>
	REFERENCE NO.	

Please Advise

SUPPLIER'S COPY

TOTAL P. 01

We were just reordering 1 floor stock & 1 tag for our customer.

See Invoice # 906803886 (10-411 E437326) as in this style discontinued. P.

ACKNOWLEDGMENT

LA-Z-BOY

55 COLUMBIA ST. E., WATERLOO, ONTARIO N2J4N7
PHONE: (519) 886-3440

CUST. SERVICE (519) 886

QUANTITY ORDERED QUANTITE COMMANDEE	STYLE GENRE	COVER HOUSSE	ADDITIONAL DESCRIPTION RENSEIGNEMENTS ADDITIONNEL	ETS	CANADA LIMITED	UNIT PRICE PRIX UNITAIRE
1	0750312	A750320	HAVOAK FINISH,	NOV 10	✓	300.00
1	0750312	A750309	HAVOAK FINISH,	NOV 10	✓	300.00
1	0750312	A750384	HAVOAK FINISH,	NOV 10	✓	336.00
1	010518	D725269	HAVOAK FINISH,	NOV 10	✓	857.00
1	010534	E437384	HAVOAK FINISH,	DEC 08	✓	436.00
1	010557	F740945	HAVOAK FINISH,	NOV 10	✓	450.00

*Recd
Nov 17/01*

***** G.S.T. NOT INCLUDED ***** PAGE 1 OF 1

PLEASE PLACE FIRM UNLESS ACCOUNT IS ON CREDIT HOLD.

ATTACHMENT: BOUT APPEL P. C. C. SALES/PROM/AM / PROM/AM/IN/VE

WEATHER MATERIALS WILL ONLY GIVE SERVICE IN PROPORTION TO THEIR QUALITY AND USE. WE DO NOT
WARRANT THE VARYING QUALITY OR FASTNESS OF COLORINGS.
MATERIAUX ASSURE POUX UN EMPLOI QUI EST FONCTION DE LEUR QUALITE ET DE LEUR UTILISATION. NOUS
NE GARANTISSONS PAS LA TENUE OU LE BON TIEN DES COULEURS.

ALLAN MORGAN & SON LTD
DRY/MORGAN'S FURNITURE
BAY ROBERTS
P O BOX 430
CLARKE BEACH NF A0A 1W0

S
E
L
D
U
T
O
A

P.O. NUMBER N° DU BON DE COMMANDE 01295832	EXPECTED SHIP DATE DATE D'EXPEDITION REQUISE SEP 11
ACCOUNT NUMBER N° DE COMPTE 61777012	DATE OCT 16
REQUESTED SHIP DATE DATE D'EXPEDITION REQUISE ASAP	

DATE OF SHIPMENT (NO AUTHORIZATION) DATE DE LA DATE D'EXPEDITION (PAS D'AUTORISATION)	REFER TO THIS NUMBER IN ALL CORRESPONDENCE MENTIONNER CE NUMERO DANS TOUTE LA CORRESPONDANCE	ACKNOWLEDGEMENT NUMBER N° D'ACCUSE DE RECEPTION 10162077	TO BE SHIPPED FROM (F.O.B.) / A EXPEDIER DE (F.A.B.) WATERLOO, ONTARIO
MR / MODALITES EX BONET 30	SALESMAN VENDEUR 522	NO ADJUSTMENTS AFTER PAS DE MODIFICATIONS APRES LE N/A	

TAB 35

ORDER FORM



CANTREX

C1255832

YOUR INVOICE MUST REFER TO THIS NUMBER

SUPPLIER		SHIP TO	
L-2-135 DANNY BURBINE P 902-667-2487 F 902-667-0286		NAME: Allan Morin & Son Ltd ADDRESS: P.O. Box 430, CLARKES BEACH NFO A6A-1W0 TEL: 709-786-2100 FAX: 709-786-6403	

DATE SEPT 13/01	VIA	TERMS Advance	SHIPPING DATE ASAP	CANCELLATION DATE	PREPAID <input type="checkbox"/>	ORIGINAL ORDER <input type="checkbox"/>
					COLLECT <input type="checkbox"/>	CONFIRMATION <input type="checkbox"/>

QTY	MODEL	FINISH	CATEGORY	DESCRIPTION	PRICE
2	05-230	A717409	Wine	Cancelled	
2	05-230	A717484	Indigo		
2	05-230	A717423	Wine		
2	05-512	A750328	olive	Rep 565/489	449
2	05-512	A750309	wine	565/489	449
2	05-512	A750384	midnight	565/489	449
1	05-512	D725209	Burgundy	619/539	499
1	10-518	GL746209		1269	1175
1	10-554	E437384		809/679	629
1	10-554	F740945		699	649

CANTREX GROUP INC. 4445, Garand, St-Laurent, Quebec H4R 2H9 Tel.: (514) 335-0260 Fax: (514) 745-1741	TAG	BUYER
	CUSTOMER'S NAME	
PROV. SALES TAX	REFERENCE NO.	
10-0940-1781-0001		

June 4, 2002

Dear La-Z-Boy Dealer:

Over the course of the last six months we have seen our delivery performance deteriorate on many of our leather items. We realize that this has been a tremendous hardship for you and has caused a credibility issue for you with your customers. While the current situation may appear bleak, please rest assured that we are well aware of the situation and have been working diligently to make the necessary corrections in order to provide you with the service you have come to expect from us. We want to make you aware of three main issues regarding our current leather situation:

1. Due to the huge success of our two recent leather chair promotions, the 10-541 in Kingsland, and the 10-506 in Caress, we have been unable to keep pace with the order rate demand. We had initially forecasted these specific items based on an historical rate of sale, and are currently nearly 35% above that forecast. Unfortunately, the cut sets and raw materials could not be immediately moved up, thus we were forced to extend our lead times in order to provide an initial ship date. However, we have been working with each of our suppliers to increase hide availability and pre-cut set availability in order to improve upon these dates. I believe you will see an improvement on the lead times of these particular styles as we receive more accurate information from our supplier.
2. We experienced delivery challenges on specific tannages, i.e., Chesterfield, Crystal and Kingsland, due to the quality of hides received at the cutting center, and have been scheduling your orders based on the delivery information provided to us. In many instances the hides received did not meet with our quality specifications. We have had to reject these hides, return them to the supplier and expedite new orders. Obviously this caused us a delay in producing your order, as well as a delay in giving you accurate delivery information. Unfortunately, we are beholden to the supplier to re-evaluate his raw materials and provide us with new ship dates on hides to fulfill

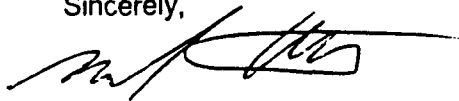
ISO 9002 REGISTERED

these orders. We have, however, implemented a new inspection process at the tannery level where La-Z-Boy employed inspectors will be pre-inspecting all leather hides from the problem tannages BEFORE they get to our facility, which will aid in the scheduling of these orders in a more timely manner.

3. The inordinate demand of the last six months has created a backlog on our lesser volume styles which we were ill equipped to accommodate. The fact that some of our lesser volume styles are run on electronic equipment has created a backlog on these particular styles. At present, we have reduced the late orders manufactured on this particular equipment and expect to be caught up as quickly as the leather supply allows. In order to correct this situation, we have also installed a new cutter which is currently being implemented at the Leather Cutting Center and have another one on order provided the results are as positive as we think they will be.

While the above may provide you with some explanations as to why we have been late, it nonetheless does not exonerate La-Z-Boy from being unable to provide you with the service you deserve. We have made some internal systems changes in order to better service and react to situations such as the 30% increase in the order rate that we have seen since December. We are also planning systems changes in order to provide our Customer Service Department with more accurate information to be able to relay to you when there is a leather order delay. While we are not content with the way we have serviced leather to you over the course of the last six months, we have made major strides to correct the problem and ensure that we do not experience a similar situation in the future. We realize that leather is an important part of your overall profitability, and an area where we cannot afford to have unhappy customers. We will continue to provide you with updated information concerning our progress on the leather situation. Again, we appreciate your understanding during these most trying of times.

Sincerely,



Mark Wiltshire
Vice- President, Sales & Marketing
La-Z-Boy Canada Limited

December 21, 1999

Allan Morgan & Sons Ltd.
P.O. Box 430
Clarks Beach, NF
A0A 1W0

Attn: Perry Morgan

Dear Sir:

I'm sorry for the delay in writing but we've been waiting for information from the U.S.

La-Z-Boy Canada's new price lists will be available early January and as mentioned on the telephone, Danny Burbine will supply to you pricing and catalogue sheets for all products supported by you in the past.

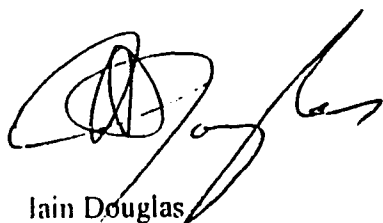
Many of the styles mentioned in your letter of October 19th will not be supplied because your past purchases have been nil.

Most retailers in Canada have worked out specific programs with their Sales & Marketing Consultants, which they stock, support and advertise. I recommend this for your operation as well. It means a concentrated effort on specific styles and always results in increased sales, higher margins, and faster service to your consumers.

We wish you success in 2000.

Yours truly,

LA-Z-BOY CANADA LIMITED



Iain Douglas
Vice-President, Sales & Marketing

ID/ld

Cc: Danny Burbine, Sales & Marketing Consultant
Mark Wiltshire, National Sales Manager

LA-Z-BOY
Canada Limited

January 10, 2000

To All Sales & Marketing Consultants:

DISTRIBUTION

La-Z-Boy Canada Limited ("La-Z-Boy") for the past few years has been restructuring distribution policies and procedures.

Today, we have the following four categories:

1. Independent Dealers;
2. National Chains;
3. La-Z-Boy Furniture Galleries; and
4. In-Store Gallery/Espace Nouvel Age dealers.

Each of these classifications is critical to the overall success of our Canadian operation.

There have been some changes to our price list and other modifications to our swatching which will be discussed with you at our meeting of January 12, 2000. In short, La-Z-Boy intends to continue to supply current dealers with the products that they have supported in a significant way in the past. La-Z-Boy will not, however, continue to supply full swatching, full price lists, and all advertising materials to all accounts, as this has proven to be too costly.

In reducing our costs, we will ensure that we remain competitive and able to supply our dealers with the best possible home furnishings for the Canadian market.

Sincerely,

LA-Z-BOY CANADA LIMITED


Iain Douglas
Vice-President, Sales & Marketing

ID/d

ALLAN MORGAN AND SONS LTD.

Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: LAZ-Boy
From: Percy
Attn:
Date: Oct 28, 2000

__ pages including cover sheet.

Re: Sent the FAX twice to make sure
you received all the copies.

IF you did not receive all 14 pages
please notify & I will gladly fax again.

Please advise which fabrics LAZ-Boy does not
want us to sell and I will gladly
throw away.

As I said earlier, this is our customer and
I can always sell them something else.

I do not need this occurring again.

ALLAN MORGAN AND SONS LTD.

Furniture & Appliances

Birch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403
Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: _____ Attn: _____

From: _____ Date: _____

___ pages including cover sheet.

Re: These fabric are in my swatches and you could have removed them during any of your visits. In fact you probably sent me this fabric.

Please advise which material you want removed and we will gladly take care of your mistake.

Thank you

Perry

P.S. Remember I have no fabric list so only you know which FABRICS I can suppose to have.

***** -JOURNAL- ***** DATE 10-28-2000 TIME 06:23PM *****

NO.	CON	PAGES	DURATION	Z/R	IDENTIFICATION	DATE	TIME	DIAGNOSTIC
27	00	02	00:01:23	INT	1	19036670286	10-28	06:23PM 8404403.0000

-Allen Morgan & Sons Ltd. -

***** - 1 709 786 6403- *****

ALLAN MORGAN AND SONS LTD.

Furniture & Appliances

Dirch Hills, Bay Roberts, Nfld. Tel: (709) 786-2100 Fax: (709) 786-6403

Mailing Address: P. O. Box 430, Clarke's Beach, Nfld. A0A 1W0

"Not only great furniture, but a great furniture store."

FAX COVER SHEET

To: 68-2-1304 902-667-2487 902-667-0286 Attn: Bonnie or Danny
From: Perry Morgan Date: April

pages including cover sheet

Please send us samples of the following materials

- D 744423
- D 748642
- H 739747 } - not available to you - Galtney
- H 739942 }
- G 746520
- F 722140
- F 740845
- F 740945

These were fabrics shown during the Jan 2001 Furniture Show

Perry:

Thank-You

These fabrics are all upholstery fabrics and since you do not receive upholstery fabrics, the only way that I can get these fabrics for you is for you to purchase these if they are available in Waterloo at a cost of \$4.50 a swatch plus tax. Please let me know if you want these samples.

TAB 41

PLEASE REFER TO THIS INVOICE NUMBER WHEN ORDERING. VÉRIFIEZ VOTRE FACTURE ET NUM. DE LA FACTURE EN ENVOYANT VOTRE PAIEMENT

LD TO - HETEUR: MORGAN'S FURNITURE
 PO BOX 430
 CLARKS BEACH, NF
 A0A 1W0

SHIP TO - DESTINAIRE: MORGAN'S FURNITURE
 PO BOX 430
 CLARKS BEACH, NFMÈME
 A0A 1W0

DATE OF ORDER / NO. DE LA COMMANDE: CUSTOMER NO. / NO. DU CLIENT: CUSTOMER ORDER NO. / NO. DE COMMANDE DU CLIENT: SALESMAN / VENDEUR: WORK ORDER NO.: INVOICE DATE / DATE DE LA FACTURE: G.S.T. # R1030 / TERMS / CONDITIONS: NET 30

61977012 622 26/04/2001

SHIP VIA / MODE D'EXPÉDITION: BILL OF LADING NO. / NO. DE CONNaisseMENT: FREIGHT / FREI: ROUTE AND CARRIER INSTRUCTIONS / INSTRUCTIONS POUR TRANSPORT:

QUANTITY DEMANDED	QTY SHIPPED / QTE EXPÉDIÉE	STYLE / MODÈLE	DESCRIPTION	UNIT PRICE / PRIX UNITAIRE	EXT. / MO
	5		SWATCH VARIOUS	4.50	
	1		SHIP CHARGE	2.00	
<p>ITEMS BACK ORDERED WILL BE SHIPPED AS SOON AS POSSIBLE. LES ARTICLES NON DISPONIBLES SERONT EXPÉDIÉS LE PLUS RAPIDEMENT POSSIBLE.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>OK per Perry</p> <p>Quantities _____</p> <p>Prices _____</p> <p>Extensions _____</p> <p>Additions _____</p> <p>Approved _____</p> <p>Purchase Record pg. 26</p> <p>Account 01</p> </div>					
SUBTOTAL / MONTANT TOTAL		TAXES / TAXES		TOTAL / TOTAL	
24.50		0.00		3.68	
				28	

48-1
TAB 42

Sale Price \$789.99



Headboard and full foot board and mattress support system

i4 furniture
HOME + OFFICE

West Empire Plaza
391 Empire Ave.
722-6767

Stockings
filled with \$25,000
of merchandise

20 Weekly Draw Prizes*

Open to all subscribers and store/box copy buyers entering the contest

* Two (2) prizes for eight Plus 4 Bon Prizes must be acc Approximate of each weekly p

CANADIAN TIRE




\$699⁹⁹
Simoniz®
pressure washer

- 27 gallons per minute • 2300 psi
- 8-hp Honda GC engine
- Variable angle spray nozzle
- Heavy-duty cart with 10" pneumatic wheels
- 30' high-pressure hose.

30-0648-2

Elizabeth Ave. Kenmount Rd. Topsail Rd.
New Cove Rd Peel St. Columbus Dr.
722-1860 722-5530 364-5880



I love my Grandpa.

Genuine **LA-Z-BOY**
Starting at **\$399**

La-Z-Boy. One of life's favourite things.

Available at
ISLAND FURNITURE
LA-Z-BOY
428 Empire Ave. 579-4058

OFFICIAL

YES
make yo
make yo

YES
Help m
make yo

NO
Help n
would

Check from o

The Tel

BATH FITTER®
The Perfect Solution!



Beautiful new custom-molded tubs and walls are installed **RIGHT OVER** your existing tub or wall

For Information and a Free Estimate Call

SAUNDERS BATH & KITCHEN Gallery

3 Monchy St., St. John's
Ph. 722-9820 Fax 722-9821

SONY

Digital Camera




- 6x zoom
- 1.3 Mega Pixel
- Memory Stick® Media
- 1472x1104 Resolution
- Selectable JPEG, TIFF, Text modes
- 320x240 Email Mode
- Intelligent Flash with Red Eye reduction
- High-speed scan auto focus

Models starting at **\$399⁰⁰**

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year green beer in
Dublin for the first
Irish Week activities
focus. Irish Week was
counteract the misrep-
land's image, Evans
celebrated St. Patrick's

Newfoundlanders and where they
came from. It was not fantasized, but
real."

St. Patrick's Day in Ireland is much
the same as it used to be in St. John's
when Lent was strictly observed by
both Roman Catholics and Protestants.

"We did wear a shamrock and a little

nearly 30 years ago.

"There are similarities," she said.
"There's the sense of humor, a joy in
life, an ability to work hard and play
hard, a love of words and talking and
music — all very much a part of life,
which makes me feel very comfortable
here."

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TAB 43

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For 70 years, La-Z-Boy has set its own standard, resulting in a name that's synonymous with quality construction and comfort. Now imagine that level of comfort wrapped in soft supple leather...

Enter the 'Leather in Motion' Sweepstakes You could drive away a winner with La-Z-boy & Ford!

Visit your local La-Z-Boy dealer and see our *full line of motion furniture* covered in "*top grain*" leather during our **Leather in Motion** event. While you're there, *enter our Leather in Motion Sweepstakes* for your chance to win one of these fabulous prizes!

- **The Grand Prize . . .** a new 1999 Ford Windstar with 4 doors and leather interior, plus a
Genuine La-Z-Boy leather reclining sofa!
- **2nd Prize . . .** a Genuine La-Z-Boy *leather reclining sofa and loveseat!*
- **3rd Prize . . .** 1 of 10 Genuine La-Z-Boy *leather recliners!*

PLUS . . .

including **Scratch & Win Instantly!** There are 1,000's of Instant Win prizes to be won . . .
Samsonite garment bags, Swiss watches, and more!

Our 'Leather in Motion' event runs from September 14 through November 14, 1998.
Its easy to win; odds of winning are 1 in 25. No purchase necessary.

Don't miss our on the most exciting La-Z-Boy event ever!
[Click here to find the retailer closest to you!](#)

Manitoba

La-Z-Boy Furniture Galleries	1425 Ellice Ave.	Winnipeg, MB	204-783-8500
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New Brunswick

Doug Worralls	251 St. Mary's St.	Fredericton, NB	506-458-9288
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La Grange Rouge Ltée	RR#6 , TransCanada Hwy	Grand Falls, NB	506-473-3747
----------------------	------------------------	-----------------	--------------

Lounsbury Co. Ltd.	1633 Mountain Rd.	Moncton, NB	506-857-4385
--------------------	-------------------	-------------	--------------

Simply Furniture	19 Waterloo St.	St. John, NB	506-657-7632
------------------	-----------------	--------------	--------------

Newfoundland

Coleman's Furniture	26 Caribou Rd.	Cornerbrook, NF	709-637-6640
---------------------	----------------	-----------------	--------------

Notre Dame Agency	6 Duggan St.	Grand Falls/Windsor, NF	709-489-6606
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Notre Dame Agency	339 Main St.	Lewisporte, NF	709-535-8691
-------------------	--------------	----------------	--------------

Island Furniture Ltd.	428 Empire Ave.	St. John's, NF	709-579-4058
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Nova Scotia

J. R. Rahey Ltd.	Church St. Ext.	Antigonish, NS	902-863-9200
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Manorhouse Furn. Ltd.	600 Bedford Highway	Halifax, NS	902-445-3250
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J. R. Rahey Ltd.	154 Archimedes St.	New Glasgow, NS	902-755-1966
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Phil's Home Furniture	9108 Commercial St.	New Minas, NS	902-681-7445
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J. R. Rahey Ltd.			
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You could
DRIVE AWAY A WINNER
with La-Z-Boy & Ford!

Visit your local La-Z-Boy dealer and see our *full line of motion furniture* covered in "*top grain*" *leather* during our Leather in Motion event. While you're there, enter our Leather in Motion Sweepstakes for your chance to win one of these fabulous prizes!

For Leather in Motion Sweepstake Prize information, simply click the buttons on the left for further details.

Our Leather in Motion Event runs from
September 14, 1998 through November 14, 1998

Its easy to win; odds of winning are 1 in 25. No purchase necessary.

Visit your nearest participating La-Z-Boy dealer for full contest details
[Click here to find the nearest Canadian dealer to you](#)

The Grand Prize . . .

A new 1999 Ford Windstar with 4 doors and leather interior,
plus a *Genuine La-Z-Boy Leather Reclining Sofa!*



Prize valued at over \$40,000



2nd Prize . . .

**A Genuine La-Z-Boy
*Leather Reclining Sofa and Loveseat!***



Prize valued at over \$6,000

3rd Prize . . .

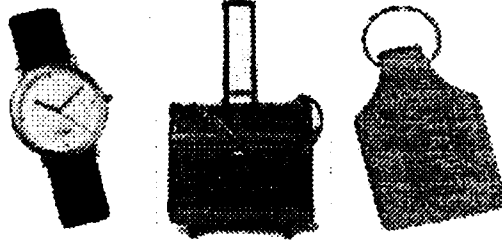
Win 1 of 10
Genuine La-Z-Boy Leather Recliners!



Prize valued at over \$1,400 each

Scratch & Win Instantly! . . .

There are 1,000's of Instant Win prizes to be won...
including Samsonite garment bags, Swiss watches, and Leather in Motion Keychains!



Chances of winning are 1 in 25

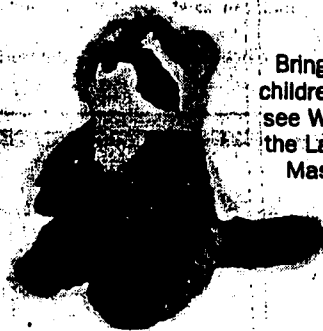
MASSIVE LA-Z-BOY SALE

TAB 44

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recliners priced
as low as
\$499!**

For a limited time, take home a seasonal throw absolutely
FREE when you purchase
selected La-Z-Boy product.

Perfect to curl up with on a cold winter night.

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579-4058



Hello Santa,
My name is Peter. I am 4 years old. This Christmas I would like the game Guess Who, Mouse Trap and a Tonka truck that men pop out of. Thank you for all the gifts you gave me last year. Merry Christmas to all.
Love, Peter Burton
Mount Pearl

Dear Ho Ho,
My name is Megan Ryan. I live in St. John's Mommy and daddy say that I've been a "pretty good" girl this year despite my being a full fledged two year old. Would you please bring me a Fisher Price Little People House, a Mrs. Potato Head, a doll stroller, a computer game and some new clothes.
Please be good to my cousins: Steven, Ryan, Allison, Peter and Kevin and all the children who are sick or less fortunate than me. I will leave a snack for you and your reindeer. I'm already counting the sleeps.
Love Little Meg
XXOO

Dear Santa,
My name is Brian Evelyn and I am 2 years old. Mommy is helping me write you this letter as I am too small to write yet, but mommy and daddy say that I have been a really good boy. I would like to thank you for all the wonderful things you brought for me last year. I had a lot of fun playing with everything. For Christmas this year I would really like to have a tractor and some dinkies please. I would also like some new clothes as daddy says I am growing too fast. Don't forget my two little cousins Megan and Caitlin, I hear they have been really good too. Would you please leave something extra special for my nanny and dada, nanny and poppy, and, of course, my mommy and daddy too.
I'll leave something good for you to fill your belly with on Christmas eve. See you soon, Santa.
Love, Brian
Manuels

Dear Santa,
Thank you for all of the presents that you brought me last year. This year I would like a winter train set, flip over cars, dinkie set, tool set, operation game, glow in the dark dinosaurs and a dinosaur kit.
Please bring something to my cousins Joshua, Nicholas, Natasha, Wally, Robbie and David. This year Santa I have a new baby sister named Sarah Joan. She is too young to know what she wants, so could you please bring her a special

you for all the toys you brought me last year. This year I would like a CD player, Sabrina the Teenage Witch game, easy bake oven, doll bed, Pikachu, Pokedex and maybe a surprise. Don't forget my brother Brady, my sister Alexandra, all my cousins and my friends in Grade 3 at Dunne Academy. Have a safe trip.
Love, Kaitlin McGrath
St. Mary's

Dear Santa:
My name is Brady and I am 5 years old. Thanks for all the cool toys you brought me last year. I have tried really hard to be a good boy all year, but it isn't easy when you've got two sisters. This year I would like to have a Pikachu, a speedboat, Chuckie my Talking Truck and some surprises. Don't forget to bring something special for Kaitlin and Alexandra, my cousins and all my friends in Kindergarten at Dunne Academy. Have a safe trip.
Love, Brady McGrath
St. Mary's

Dear Santa,
My name is Alexandra and I am only one year old. Thank you for all the presents you brought last year. This year I would like to have a Twirlin' Tunes CD player, a Tip-n-Stack Turtle and maybe a surprise or two. I have been a very good girl all year, well except for the couple of times that I tore up the newspaper and the few times that I turned the TV on and off, but that was it I was an angel the rest of the time. Please bring something special to my sister, Kaitlin and my brother, Brady. Don't forget all my cousins and my friend, Joshua. Have a safe trip.
Love, Alexandra McGrath
St. Mary's

Dear Santa,
My name is Jenessa Murphy and I'm 2 years old. How are you and Mrs. Claus? I bet you have lots of snow at the North Pole. Thank-you for all the gifts you gave me last Christmas. This year I would like a Dipsy Teletubby, Dream Kitchen, Alphabet Apple, Kissy Kissy Baby and some surprises.
Please be good to all the little boys and girls and please be especially good to my sister Kimberley and my brother Jonathon also my two cousins Rodney and Kearsty. I'll leave some milk and cookies by the tree with some carrots for your reindeer.
Love your little friend
Jenessa Murphy, Conception Harbour

Dear Santa,
My name is Peter and I am almost 4 years old. I tried to be a good boy all year. My mommy is writing this letter for me. This year I would like a guitar, a drum, a remote control truck, and a tarzan coloring book and some crayons. Please be good to my little brother Shayne and to all the other little boys and girls everywhere. I will leave a treat for you under the tree.
Love, your little friend
Peter Kavanagh
Ferry (North Side)

Dear Santa,
Hi, my name is Jennifer Gibbons. I am 8 years old. Thank-you for all the great stuff you brought me last year. This year could you please bring me: CD player, CDs, slush maker, a surprise.
Please be good to my baby brother Justin and my cousin Daniel. Good-bye for now.
Jennifer Gibbons
St. Mary's

Dear Santa,
Hi, my name is Justin Gibbons. I am only 11 months old. This year for my first Christmas could you please bring me: some toys to play with, some clothes because I grow so fast. I will ask for more stuff next year when I'm older. Please be good to my older sister Jennifer and my cousin Daniel. Good-bye for now.
Love Justin Gibbons
St. Mary's

Dear Santa Claus:
How have you been all year? I hope Mrs. Claus and the elves are doing fine. Thanks for the gifts you gave me last year.
My name is Melissa Wells and I am 10 years old. I have been a good girl all year. For Christmas I would like Sega Dreamcast, Pokemon CD Rom, a camera with film and some clothes. Also could you please bring my cat Egypt a mouse or something as she has been pretty good too.
I'll leave you some milk and cookies as usual and something for the reindeer in case they are



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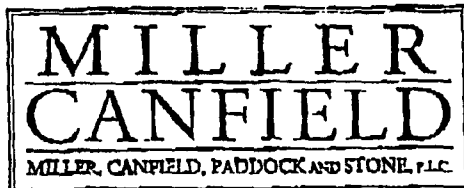
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TAB 46

Founded in 1852
Sidney Davy Miller

150
YEARS
1852-2002



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Detroit • Grand Rapids
Howell • Kalamazoo
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Windsor, Ontario, Canada N9A 6R4
TEL: (519) 977-1555/(313) 962-1990
www.millercanfield.com

September 24, 2002

VIA FACSIMILE 709-722-1763

WITHOUT PREJUDICE

McInnes Cooper
10 Fort William Place
P.O. Box 5939
St. John's, Newfoundland
A1C 5X4

Attention: Deborah L.J. Hutchings

Re: Our File No. 28712
La-Z-Boy Canada Ltd. ("La-Z-Boy") and Allan Morgan and Sons Limited
t/a Morgan's Furniture ("Morgan's")

Dear Madam:

Your letter of September 4, 2002 has been forwarded to the writer for reply.

Although your letter attempts to set out certain facts the same are incomplete by reason of the failure to set forth the actual circumstances surrounding the La-Z-Boy/Morgan's relationship. In fact they are misleading as they imply that La-Z-Boy has not been treating Morgan's fairly having regard to other dealers in Canada and Newfoundland. This is clearly not the case.

Accordingly we wish to advise you of certain policies that have been implemented by La-Z-Boy across Canada including the following:

1. In 1998 the representative offices of La-Z-Boy across Canada were established with a new computer software system to allow them to place orders directly through the system. All orders across Canada were submitted through the representatives' offices. This computer system allowed La-Z-Boy to manage orders and ensure that all La-Z-Boy policies were followed.
2. Prior to the establishment of Island Furniture, La-Z-Boy altered its distribution policies affecting all retailers. All non-gallery dealers were supplied with catalogue pages, price sheets and appropriate fabrics for the products they chose to carry inventory within a given category. For example, if a dealer chose to carry ten chairs, La-Z-Boy would provide catalogue

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

McInnes Cooper

-2-

September 24, 2002

pictures, price sheets and chair fabrics for only those models. Prior to this amendment, if a dealer maintained inventory of chairs, La-Z-Boy would supply him with the full chair catalogue and full chair price list providing access to models that they chose not to carry in inventory.

3. Any retailer could apply and be considered for the gallery program. Morgan's did not apply while Island Furniture did apply and became a gallery store in its area. La-Z-Boy serves other accounts in Newfoundland provided they meet the standards and comply with the relevant policies of La-Z-Boy.

Morgan's had the ability to order La-Z-Boy products within the categories that they were qualified to carry. In accordance with La-Z-Boy policy Morgan's was not entitled to sell styles which they did not carry in inventory or supported. This policy has been consistently enforced by La-Z-Boy across Canada. La-Z-Boy has continuously advised Morgan's that they could purchase any amount of goods which it was willing to support and, in fact, Morgan's is responsible for the growth of their own business.

As stated in the letter of August 27, 2002 from La-Z-Boy to Morgan's, there has been a steady decline over the past five years in purchases by Morgan's. In fact, up until August 2002 Morgan's was purchasing less than 25% of the number of La-Z-Boy products that they had purchased in 1998. Forty-one pieces (which is approximately equal to the total volume during the first eight months of the year) were ordered after delivery of the letter of August 27, 2002 to Morgan's; this amount is not commensurate with those volumes ordered prior to August 27, 2002.

We understand that in the last few days La-Z-Boy has been inundated with orders from Morgan's for merchandise volumes not commensurate with those ordered prior to August 27, 2002. Our client will ship the orders currently on hand, but in the future, they will not accept any further orders unless they comply with all La-Z-Boy policies and which are in volumes commensurate with orders for the same product ordered prior to August 27, 2002.

We have reviewed the provisions of the Competition Act and it is our view that there is no breach of the same. La-Z-Boy has not unduly restricted competition and, in fact, encouraged Morgan's to comply with its policies by maintaining inventory supporting La-Z-Boy products.

We trust the foregoing clarifies La-Z-Boy's position in this matter and in the event you wish to discuss this matter further please contact the writer.

Yours very truly,

WILSON WALKER LLP

Jeffrey M. Slopen per lld
Jeffrey M. Slopen

JMS/lld

WWLIE:228380.431002-28712

TABLE A
COMPARATIVE YEARLY SALES

YEAR	BERKLINE	LA-Z-BOY	PERCENTAGE OF GROWTH FOR LA-Z-BOY SALES FROM PREVIOUS YEAR
2002	\$44,283	\$101,088	+15%
2001	\$56,870	\$92,374	-46%
2000	\$48,873	\$171,697	-14%
1999	\$15,107	\$199,186	+3%
1998	\$4,595	\$192,581	+14%
1997		\$168,888	+58%
1996		\$106,955	+66%
1995		\$64,465	N/A

**Sale Price
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contest

* Two (2) prizes
for eight
Plus 4 Bon
Prizes must be acc
Approximate
of each weekly p

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TIRE**




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30-0048-2

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and walls are installed
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tub or wall

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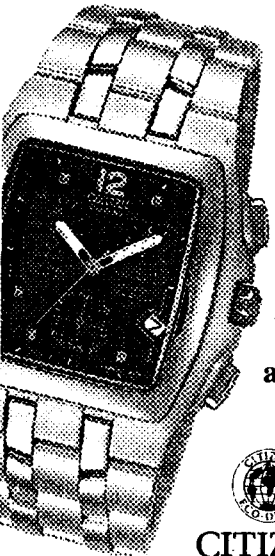
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You**



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Bas**

Village Sh
2nd Level outside

**TABLE B
YEARLY SALES BY CATEGORY**

Average Number of Suppliers Per Year	24	11	1	1	1	1	1	3	4	47
---	----	----	---	---	---	---	---	---	---	----

YEAR	WOOD	SOFA	BERKLINE RECLINER	LA-Z-BOY RECLINER	BED	LAMP	CLOCK	APPLIANCE	MISC.	TOTAL
1998	\$389,516	\$358,011	\$4,595	\$192,581	\$73,034	\$4,296	\$11,456	\$572,818	\$22,914	\$1,629,221
1999	\$520,396	\$325,882	\$15,107	\$199,186	\$67,862	\$11,250	\$9,435	\$848,274	\$31,392	\$2,028,783
2000	\$652,313	\$424,910	\$48,873	\$171,697	\$78,525	\$4,185	\$11,958	\$807,967	\$13,154	\$2,213,582
2001	\$736,530	\$371,650	\$56,870	\$92,374	\$61,668	\$2,335	\$6,436	\$767,780	\$26,697	\$2,122,340
2002	\$713,500	\$355,751	\$44,283	\$101,088	\$69,950	\$1,999	\$17,987	\$813,429	\$25,983	\$2,143,970

TRB 49

**TABLE C
GROSS PROFITS**

Average Number of Suppliers Per Year	24	11	1	1	1	1	1	3	4	47
---	----	----	---	---	---	---	---	---	---	----

YEAR	WOOD	SOFA	BERKLINE RECLINER	LA-Z-BOY RECLINER	BED	LAMP	CLOCK	APPLIANCE	MISC.	TOTAL
1998	\$97,315	\$98,648	\$993	\$57,931	\$16,221	\$1,324	\$3,310	\$50,317	\$4,974	\$331,033
1999	\$139,330	\$96,047	\$4,122	\$63,894	\$16,076	\$3,710	\$2,061	\$79,558	\$7,420	\$412,218
2000	\$166,863	\$119,638	\$12,593	\$52,623	\$17,991	\$1,349	\$3,148	\$72,412	\$3,149	\$449,766
2001	\$190,171	\$105,651	\$14,662	\$28,461	\$14,231	\$862	\$1,725	\$69,428	\$6,036	\$431,227
2002	\$186,882	\$102,807	\$11,762	\$31,800	\$16,118	\$871	\$5,227	\$74,491	\$5,665	\$435,623

7
TAB 50

**TABLE D
GROSS PROFITS - PERCENTAGE**

YEAR	WOOD	SOFA	BERKLINE RECLINER	LA-Z-BOY RECLINER	BED	LAMP	CLOCK	APPLIANCE	MISC.	TOTAL
1998	29%	29.8%	.30%	17.50%	4.9%	.4%	1%	15.2%	1.5%	100%
1999	33.80%	23.3%	1%	15.50%	3.9%	.9%	.5%	19.3%	1.8%	100%
2000	37%	26.6%	2.80%	11.7%	4%	.3%	.7%	16.1%	.7%	100%
2001	44%	24.5%	3.40%	6.6%	3.3%	.2%	.4%	16.1%	1.4%	100%
2002	43%	23.6%	2.70%	7.3%	3.7%	.2%	1.2%	17.1%	1.3%	100%

TABLE 51

TABLE E

**COMPARISON OF PROFIT FIGURES GENERATED
BY ALL PRODUCTS AND LA-Z-BOY PRODUCT
EXCLUSIVELY**

YEAR	A	B	C	D	E	F	G	H	I	J
	LA-Z-BOY ACTUAL SALES	LA-Z-BOY ESTIMATED GROSS PROFIT	B AS % OF D	ACTUAL OPERATION PROFIT	OPERATION PROFIT WITH NO LA-Z-BOY SALES (D-B)	LA-Z-BOY PROJECTED SALES	LA-Z-BOY ESTIMATED GROSS PROFIT OF F	ESTIMATED LOSS PROFIT DUE TO LA-Z-BOY RESTRICTIONS (G-B)	PROJECTED INCOME W/O RESTRICTIONS	I AS % OF D
2002	\$101,088	\$31,800	37%	\$85,790	\$53,990	\$550,030	\$170,509	\$138,709	\$224,499	262%
2001	\$92,374	\$28,461	34%	\$84,924	\$56,463	\$423,100	\$131,161	\$102,700	\$187,624	221%
2000	\$171,697	\$52,623	59%	\$88,575	\$35,952	\$325,462	\$100,893	\$48,270	\$136,845	154%
1999	\$199,186	\$63,894	79%	\$81,182	\$17,288	\$250,355	\$77,610	\$13,716	\$94,898	117%
1998	\$192,581	\$57,931	89%	\$65,192	\$7,261	\$192,581	\$57,931	--	\$65,192	100%

TRB 52