

1 GARY E. KLAUSNER (STATE BAR NO. 69077)
2 MARGRETA M. MORGULAS (STATE BAR NO. 224950), and
3 MICHAEL S. NEUMEISTER (STATE BAR NO. 274220), Members of
4 **STUTMAN, TREISTER & GLATT**
5 **PROFESSIONAL CORPORATION**
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13 Reorganization Counsel
14 for Debtors and Debtors in Possession

15 Debtors' Mailing Address:
16 Colorep, Inc. and Transprint USA, Inc.
17 100 Pleasant Valley Road
18 Harrisonburg, VA 22801-9790
19 Attn: Robert Katz, [Proposed] CRO

20 **UNITED STATES BANKRUPTCY COURT**
21 **CENTRAL DISTRICT OF CALIFORNIA**
22 **LOS ANGELES DIVISION**

23 In re) Case No. 13-bk-27689-WB
24)
25 COLOREP, INC.,) Chapter 11
26 a California corporation, *et al.*,) (Jointly Administered)
27)
28 Debtors.)

29 Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and
30 54-1200596 (Transprint USA, Inc.)

31 **DECLARATION OF ROBERT D. KATZ**
32 **IN SUPPORT OF DEBTORS' OMNIBUS**
33 **RESPONSE TO OBJECTIONS FILED**
34 **BY VIRGINIA ELECTRIC AND POWER**
35 **COMPANY d/b/a DOMINION VIRGINIA**
36 **POWER [DOCKET NO. 72] AND**
37 **COLUMBIA GAS OF VIRGINIA, INC.**
38 **[DOCKET NO. 88] TO AMOUNT AND**
39 **SCOPE OF ADEQUATE ASSURANCE**
40 **THAT CERTAIN UTILITIES ARE**
41 **ENTITLED TO UNDER BANKRUPTCY**
42 **CODE SECTION 366**

43 Hearing Date

44 Date: August 28, 2013
45 Time: 10:00 a.m.
46 Location: Courtroom 1475
47 255 East Temple Street
48 Los Angeles, CA 90012

1 I, ROBERT D. KATZ, declare as follows:

2 1. I am over 18 years of age and if called upon I would and could competently
3 testify to the matters set forth herein from my own personal knowledge. I am a Managing Direct of
4 Executive Sounding Board Associates Inc. ("ESBA"), a financial and management consulting firm
5 having expertise in turnaround, bankruptcy and financial advisory issues.

6 2. I have been retained by Colorep, Inc. and Transprint USA, Inc. (collectively,
7 the "Debtors") to serve as their Chief Restructuring Officer ("CRO"). In addition, certain of my staff
8 at ESBA has been retained to similarly provide crisis management services for the Debtors as a part
9 of the Debtors' pending bankruptcy proceedings. I have been serving as the Debtors' CRO since the
10 beginning of July 2013. As CRO, I am involved in and supervise the ongoing business affairs, day-
11 to-day operations, financial condition, and books and records of each of the Debtors. I have also
12 played a primary role in coordinating with the Debtors' bankruptcy counsel in all matters relating to
13 the Debtors' pending chapter 11 bankruptcy proceedings. Accordingly, I have personal familiarity
14 with the Debtors' general operations and obligations in their pending bankruptcy proceedings.

15 3. I submit this Declaration in support of the *Debtors' Omnibus Response to*
16 *Objections Filed by Virginia Electric and Power Company d/b/a Dominion Virginia Power [Docket*
17 *No. 72] and Columbia Gas of Virginia, Inc. [Docket No. 88] to Amount and Scope of Adequate*
18 *Assurance that Certain Utilities are Entitled to Under Bankruptcy Code Section 366.*

19 4. The Debtors have established a segregated bank account for the benefit of the
20 Debtors' utility service providers (the "Escrow Account"). The Escrow Account has a current
21 balance of \$22,595, which amount represents one half of the Debtors' monthly utility usage, based
22 on the period from July 1, 2012 through June 30, 2013. \$12,660.14 of this amount is based on one
23 half of the monthly average for the utility services of Virginia Electric and Power Company d/b/a
24 Dominion Virginia Power.

25 5. On August 16, 2013, the Court entered a final order approving the agreement
26 between the Debtors and Meserole, LLC ("Meserole"), pursuant to which Meserole has agreed to
27 provide postpetition financing to the Debtors (the "DIP Financing") up to \$2.5 million. The DIP
28 Financing is projected, based on certain underlying assumptions and events which may or may not

1 occur, to cover the Debtors' operating and administrative costs through the closing of a sale of the
2 Debtors' assets by the beginning of October 2013. The DIP Financing is to be used by the Debtors
3 pursuant to a set budget (the "DIP Financing Budget"), a copy of which is attached hereto as Exhibit
4 "A." The DIP Financing Budget accounts for the Debtors' anticipated, postpetition utility costs, such
5 that the Debtors' utilities can be paid currently for postpetition services.

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I declare under penalty of perjury that the foregoing is true and correct.

Executed this 22nd day August, 2013, at Philadelphia, Pennsylvania

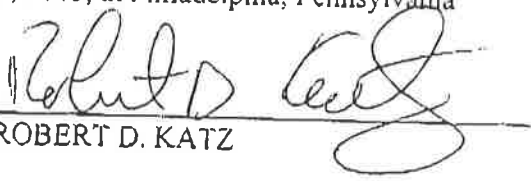

ROBERT D. KATZ

Exhibit A

