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2 EXECUTIVE SOUNDING BOARD ASSOCIATES INC.  
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4 Telephone: (215) 568-5788  
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5  
6 [Proposed] Chief Restructuring Officer  
for Debtors and Debtors in Possession

7 Debtors' Mailing Address:  
Colorep, Inc. and Transprint USA, Inc.  
8 100 Pleasant Valley Road  
Harrisonburg, VA 22801-9790

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10 **UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
11 **LOS ANGELES DIVISION**

12 In re ) Case No. 13-bk-27689-WB  
13 )  
13 COLOREP, INC., ) Chapter 11  
a California corporation, *et al.*, ) (Jointly Administered)  
14 )  
15 Debtors. ) **NOTICE OF FEES AND EXPENSES OF**  
16 Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and ) **EXECUTIVE SOUNDING BOARD**  
54-1200596 (Transprint USA, Inc.) ) **ASSOCIATES, INC. AS CHIEF**  
17 ) **RESTRUCTURING OFFICER TO THE**  
18 ) **DEBTORS AND DEBTORS IN**  
19 ) **POSSESSION FOR THE PERIOD FROM**  
20 ) **JULY 10, 2013 THROUGH JULY 31, 2013**

21 )  
22 )  
23 ) [No Hearing Required]  
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1 **TO THE HONORABLE JULIA W. BRAND, UNITED STATES BANKRUPTCY JUDGE,**  
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL OTHER PARTIES**  
3 **ENTITLED TO NOTICE:**

4 Executive Sounding Board Associates, Inc. ("ESBA"), proposed Chief Restructuring  
5 Officer ("CRO") for Colorep, Inc. and Transprint USA, Inc. (together, the "Debtors"), hereby  
6 submits this report (the "Report") of fees and expense for the period from July 10, 2013 through July  
7 31, 2013 (the "Subject Period"), pursuant to the proposed terms of ESBA's employment in this case,  
8 as provided in the *Debtors' Notice of Motion and Motion Pursuant to Bankruptcy Code Sections*  
9 *105(a) and 363 for Entry of an Order Authorizing the Employment of Executive Sounding Board*  
10 *Associates Inc. to Provide Crisis Management Services and to Provide Robert D. Katz to Serve as*  
11 *Chief Restructuring Officer from the Petition Date* [Docket No. 80] (the "ESBA Employment  
Motion").<sup>1</sup>

12 **A. General Information.**

13 1. Period: July 10, 2013 – July 31, 2013 (the "Subject Period")

14 2. Fees & Expenses During the Subject Period:

15 Fees \$128,165.50

16 Expenses \$8,996.87

17 Total \$137,162.37

18 3. Professionals Billing for the Subject Period: A schedule of the professionals  
19 who provided services to the Debtors during the Subject Period, including the amount of hours billed  
20 and fees incurred, is provided in Exhibit A, annexed hereto.

21 4. Payments: ESBA was provided a prepetition retainer of \$30,000 of which  
22 approximately \$11,860 remains to be applied to postpetition bills. In addition ESBA was provided  
23 an \$85,000 retainer to be applied against July 2013 post petition invoices. Upon approval of the  
24 ESBA Employment Motion, and after parties in interest are provided with ten (10) days to object to  
25 the amount of ESBA's fees and expenses disclosed in this Report. The balance of amounts owed for  
26 ESBA's fees and expenses during the Subject Period may be paid in consultation with the Debtors,

27  
28 <sup>1</sup> The Court has set a hearing on the ESBA Employment Motion for October 3, 2013, at 10:00 a.m.

1 and pursuant to the terms and conditions of the *Final Order (A) Authorizing Debtor to Obtain*  
2 *Postpetition Financing; (B) Granting Superpriority Expense Claims and Priming Liens; and (C)*  
3 *Granting Other Relief Under 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(b), F.R.B.P. 2002 and*  
4 *4001; and LBRS 2002-1 and 4001-2 [Docket No. 134] (the "Final DIP Order").*

5 **B. Billing Summary & Description**

6 Compensation for fees and reimbursement of expenses is sought for all reasonable  
7 and necessary activities performed in the case during the Subject Period. Below is a categorical  
8 listing of ESBA's representative tasks during the Subject Period. However, given the number and  
9 diversity of issues faced by ESBA during these bankruptcy cases, not all tasks are provided in this  
10 categorical listing. Descriptions of each task completed by ESBA's professionals is provided in  
11 Exhibit B, annexed hereto.<sup>2</sup>

12 1. Category 45 – Benefits

- 13 • Reviewed the Company's benefit program
- 14 • Assessed replacing the benefit programs
- 15 • Determined options regarding benefit programs
- 16 • Multiple conversations with Anthem Blue Cross regarding the status  
of the benefit programs
- 17 • Review keeping the programs in place; alternatives and next steps.

18 2. Category 46 – Board of Directors Meetings

- 19 • Prepare for Board of Directors calls.
- 20 • Attend and participate in multiple meetings with Board Members and  
Counsel.
- 21 • Work on follow up questions and concerns.

22 3. Category 47 – Business Analysis & Planning

- 23 • Attend plant operations meetings.
- 24 • Address environmental matters and concerns.
- 25 • Assessed situation and required tasks.
- 26 • Open up new post-petition bank accounts for multiple companies.
- 27 • Conversations with bankers re: opening up new accounts and  
obtaining proper signature and authorities.
- 28 • Evaluated go forward plans and opportunities.
- Work on rolling cash flow forecast. Provide additional updates and  
modifications to the model.
- Prepare variance reports and certain analytics and trend reports.
- Work on production priority listing.

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<sup>2</sup> As an accommodation to the client in July ESBA personnel did not bill for travel time.



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- Prepare additional receipts and disbursement reports.
  - Work and evaluate through the Chapter 11 process. Work on mitigating concerns and issues that arise.
8. Category 78 – Financing
- Reconcile funding with DIP lender
  - Review and analyze DIP order.
  - Work with Company management through funding delay issues
  - Begin to prepare schedule of potential additional funding sources and potential interested investors.
  - Negotiated opportunities with suppliers to preclude delays in product and supply deliveries. Improved and enhanced working relationships with current and new suppliers without little interruption to vendors providing goods and/or services through credit.
9. Category 81 – Tax Issues/Consulting
- Discussions with payroll and tax service provider; to reinstitute and provide tax paying service.
  - Prepare and analyze payroll tax reports.
  - Performed review and assessment of taxes and tax reporting.
10. Category 90 and 141 - Personnel Issues/Personnel
- Review personnel and staffing levels.
  - Assess and analyze opportunities for reductions
  - Meet with certain management team members; review opportunities to improve performance.
  - Analyze additional personnel considerations pre and post petitions and consider their costs and effect on the entity.
  - Meetings with human resources manager regarding various issues including back pay and insurance coverage.
  - Review and discuss with employees their concerns with the filing; next steps; job status, etc.
11. Category 98 and Category 99 – Meetings Internal & External
- Multiple meetings and calls with Controller, VP of Sales and Production, and other members of the team to discuss ongoing strategies, operational and financial issues including but not limited to schedules, operating performance, personnel issues, projections, staffing levels, budget, budget to actual comparison, weekly cash flow projections, business plan, prepare for court hearings, meetings with professionals, etc.
  - Also reviewed, assessed and analyzed other issues and concerns of Debtors’ management team.
  - Multiple conference calls with the Company’s professionals including its and attorneys. Tremendous # of conversations, phone and in person and meetings with Company’s lender and interested stakeholders.

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- Multiple town hall meetings with Company personnel; additional meeting and calls working to calm the tremendous uncertainty. A significant amount of hand holding needed to be done in the early stages of the case.
- Meetings and calls to review operational issues; ordering supplies and proper maintenance.
- Meet with personnel as well as calls to review production performance and sales issues.
- Meetings with accounting staff to review cash flow; accounts receivable and accounts payable postings.
- Met to review and discuss the plans; timing and underlying direction.
- Meetings and calls to review the budget with the DIP lender.
- Discussions and meetings to review status of projects.
- Calls with lender and stakeholders to review operational and performance issues; Calls and meetings to review tax returns and health insurance issues and concerns.
- Attend and participate in meetings with sales team
- Assess and discuss closing of certain business lines.
- Calls with US Trustee to review case status.

12. Category 103 – Operational Budgets

- Accumulate data and information for budget to actual reports.
- Prepare analysis of wire transfers since the petition date.
- Update operating performance budgets and review and consider alternatives and next steps.

13. Category 110 – Real Estate Data/Valuation

- Review owned and leasehold properties and status of fees
- Review and assess Company options to accept or reject leases at Company’s multiple locations.

14. Category 116 – Bankruptcy Schedules

- Review and analyze motions and orders and related schedules.
- Prepare and review 7 day schedules – both at the summary level and detail for both companies; an exceptional amount of work. Provide all the supporting schedules, details back up reports.
- Meet with Company personnel re gathering information for the schedules and reporting.
- Prepared and reviewed other schedules as requested by Debtors, its stakeholders or as requested by Court officials and for the US Trustee.
- Discussions with Company personnel and Company’s professionals re preparation of schedules and supporting information.
- Begin to analyze, prepare and work on and assessed initial monthly operating reports.

15. Category 122 – Manufacturing

- Attend and participate in daily production meetings.

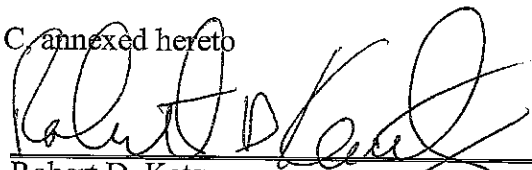
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- Begin to analyze, prepare and work on and assessed initial monthly operating reports.
15. Category 122 – Manufacturing
- Attend and participate in daily production meetings.
  - Toured the plant; assess equipment, maintenance status; production planning; Assess opportunities to increase production.
  - Develop comprehensive list of needed plant production items, related maintenance and plant upgrades.
  - Evaluate and assess production performance and considerations while in Chapter 11. Assess production efficiencies and inefficiencies; outline opportunities to increase performance.

**C. Expense Summary**

During the Subject Period, ESBA incurred expenses in connection with its representation of the Debtors. Travel charges are calculated using actual cost, or in the case of automobile travel, the applicable standard mileage rates promulgated by the Internal Revenue Service plus actual amounts expended for tolls. Telephone charges are calculated using actual cost (i.e., the actual amount billed by a third-party provider). Each expenditure was a necessary and reasonable cost incident to the performance of Applicant’s services for the Debtors. A breakdown of the expenses incurred by ESBA is set forth in Exhibit C, annexed hereto

Date: September 25, 2013



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Robert D. Katz  
EXECUTIVE SOUNDING BOARD  
ASSOCIATES INC.

[Proposed] CRO  
for Debtors and Debtors in Possession

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
1901 Avenue of the Stars, 12<sup>th</sup> Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF FEES AND EXPENSES OF EXECUTIVE SOUNDING BOARD ASSOCIATES, INC. AS CHIEF RESTRUCTURING OFFICER TO THE DEBTORS AND DEBTORS IN POSSESSION FOR THE PERIOD FROM JULY 10, 2013 THROUGH JULY 31, 2013**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On September 25, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On September 25, 2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

9/25/2013

*Date*

Kendra A. Johnson

*Printed Name*

/s/Kendra A. Johnson

*Signature*



**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

Brian L Davidoff on behalf of Creditor Quercus Trust

bdavidoff@greenbergglusker.com,

jreinglass@greenbergglusker.com;kwoodson@greenbergglusker.com;calendar@greenbergglusker.com;sgaeta@greenbergglusker.com

Patrick B Howell on behalf of Creditor Sensient Imaging Technologies S.A., Sensient Technologies Corporation

phowell@whdlaw.com, dprim@whdlaw.com;tmichalak@whdlaw.com

Ron Maroko on behalf of U.S. Trustee United States Trustee (LA)

ron.maroko@usdoj.gov

David W. Meadows on behalf of Creditor Columbia Gas of Virginia, Inc.

david@davidwmeadowslaw.com

David W. Meadows on behalf of Creditor Virginia Electric And Power Co

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Stephan W Milo on behalf of Interested Party Courtesy NEF

smilo@wawlaw.com, psilling@wawlaw.com

Margreta M Morgulas on behalf of Debtor Colorep, Inc.

mmorgulas@stutman.com

Margreta M Morgulas on behalf of Debtor Transprint USA, Inc.

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Michael S Neumeister on behalf of Debtor Colorep, Inc.

mneumeister@stutman.com

Michael S Neumeister on behalf of Debtor Transprint USA, Inc.

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Michael S Neumeister on behalf of Debtor In Possession Transprint USA, Inc.

mneumeister@stutman.com

Frank T Pepler on behalf of Creditor Fuller Smith Capital Management LLC

frank.pepler@dlapiper.com, keith.nesbit@dlapiper.com

Frank T Pepler on behalf of Creditor Meserole, LLC

frank.pepler@dlapiper.com, keith.nesbit@dlapiper.com

Frank T Pepler on behalf of Creditor Saviva FS 1 LP

frank.pepler@dlapiper.com, keith.nesbit@dlapiper.com

Danielle A Pham on behalf of Debtor Colorep, Inc.

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Jeffrey M. Reisner on behalf of Interested Party Courtesy NEF

jreisner@irell.com

Christopher O Rivas on behalf of Creditor Columbia Gas of Virginia, Inc.

crivas@reedsmith.com

James Stang on behalf of Interested Party L.H. Charney 1410 Broadway LLC

jstang@pszjlaw.com

Nicola G Suglia, Esq on behalf of Creditor Canon Financial Services, Inc. c/o Fleischer, Fleischer & Suglia  
nsuglia@fleischerlaw.com

United States Trustee (LA)  
ustpregion16.la.ecf@usdoj.gov

**2. SERVED BY UNITED STATES MAIL:**

Debtors:  
Colorep, Inc. and Transprint USA, Inc.  
Attn: Robert Katz  
1000 Pleasant Valley Road  
Harrisonburg, VA 22801-9790

The Honorable Julia Brand  
U.S. Bankruptcy Court Central District of  
California  
255 East Temple Street, Suite 1382  
Los Angeles, CA 90012

Internal Revenue Service  
PO Box 21126  
Philadelphia, PA 19114

20 Largest Creditors

Anthem Blue Cross Blue Shield  
Attn: Dianne Loving  
P.O. Box 580494  
Charlotte, NC 28258

Domtar Corporation  
Port Huron Mill  
1700 Washington Avenue  
Port Huron, MI 48060

Domtar Corporation  
Subsidiary Of Domtar Ind  
1700 Washington Avenue  
Port Huron, MI 48060

Dominion Va Power  
Attn: Barbara Smith  
P.O. Box 26666  
Richmond, VA 23261-6666

Dominion Virginia Power  
P.O. Box 26019  
Richmond, VA 23260-6019

Krausz Puente LLC  
c/o The Krausz Companies  
44 Montgomery St, Ste 3300  
San Francisco, CA 94104

Krausz Puente LLC  
11383 Newport Dr  
Rancho Cucamonga, CA 91730-5536

Stonefield Josephson, Inc.  
Attn: Steve Rapattoni, CPA  
5 Park Plaza, Suite 700  
Irvine, CA 92614

Susan D'Arcy  
aka SRD International  
95 East Broadway  
Roslyn, NY 11576

Mimaki USA, Inc.  
c/o Wiliam Hearnburg, Jr.  
Smith, Gambrell & Russell, LLP  
Promenade, Suite 3100  
1230 Peachtree Street N.E.  
Atlanta, GA 30309

Mimaki USA, Inc.  
Dept. CH 17368  
Palatine, IL 6055-7368

Bonnie Julian  
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Clover, SC 29710

L.H. Charney Associates, LLC  
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Counsel to L.H. Charney Associates, LLC  
Attn: Scott S. Markowitz  
Tarter Krinsky & Drogin LLP  
1350 Broadway  
New York, NY 10018

Fish & Associates  
Attn: Mei Tsang  
2603 Main Street, Suite 10000  
Irvine, CA 92614-4271

Fedex – Techconnect  
Attn: Pam Gish  
Lockbox 360353  
500 Ross St. Rm 154-0455  
Pittsburg, PA 15252

Federal Express Corp.  
PO Box 371461  
Pittsburgh, PA 15250-7461

Stand Energy Corporation  
Attn Kathy Kellems, Credit Manager  
1077 Celestial St., Suite 110  
Cincinnati, OH 45202

Stand Energy Corporation  
PO Box 632712  
Pittsburgh, PA 15250-7461

Carlo Tenconi  
Via Stromboli 209  
Milan 20144  
ITALY

Atlantic Paper Company  
430 Fehleley Drive  
King of Prussia, PA 19406

Univar USA, Inc.  
Attn: Doug Putney  
1001 Old Bermuda Hundred Rd  
Chester, VA 23836

Univar USA, Inc.  
P. O. Box 409692  
Atlanta, GA 30384-9692

PBMares /PBGH  
Attn: Mary Aldrich  
558 South Main Street  
Harrisonburg, VA 22801

Columbia Gas GTS Account  
P.O. Box 742529  
Cincinnati, OH 45274-2529

Chemsolv, Inc.  
P.O. Box 13847  
Roanoke, VA 24037

Dupont Company  
Attn: Jenna Pike  
1007 Market Street  
Wilmington, DE 19898

Dupont Company  
Cashier's Office D-8003-3  
1007 Market Street  
Wilmington, DE 19898

Shelter Capital Partners fka Yazam LLC  
Attn: Rodney Friedman  
10880 Wilshire Blvd., Suite 1850  
Los Angeles, CA 90024

Nexeo Solutions  
3 Waterway Square Place  
Suite 1000  
The Woodlands, TX 77380

Nexeo Solutions LLC  
62190 Collections Center Dr  
Chicago, IL 60693-0621

Secured Lenders

Meserole, LLC  
Attn: Ari Hirt  
152 W 57th Street, 4th Fl.  
New York, NY 10019

Counsel to Meserole LLC  
DLA Piper LLP (US)  
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919 N. Market St., # 1500  
Wilmington, DE 19801

Counsel to Meserole LLC  
DLA Piper LLP (US)  
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