

In re:
Colorep, Inc.
Transprint USA, Inc.
Debtors

Case No. 13-27689-WB
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0973-2 User: admin Page 1 of 1 Date Rcvd: Oct 04, 2013
Form ID: pdf042 Total Noticed: 1

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 06, 2013.
db +Colorep, Inc., c/o Law Offices of Joseph P. Bartlett, 1900 Avenue of the Stars, 20th Floor, Los Angeles, CA 90067-4501

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
dbpos Transprint USA, Inc. TOTALS: 1, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

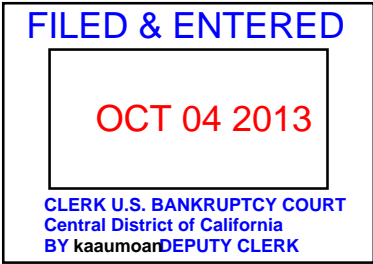
Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 06, 2013 Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on October 4, 2013 at the address(es) listed below:
Christopher O Rivas on behalf of Creditor Columbia Gas of Virginia, Inc. crivas@reedsmith.com
Danielle A Pham on behalf of Debtor Colorep, Inc. dpham@stutman.com, daniellepham@gmail.com
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 david@davidwmeadowslaw.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
Frank T Pepler on behalf of Creditor Fuller Smith Capital Management LLC frank.pepler@dlapiper.com, keith.nesbit@dlapiper.com
James Stang on behalf of Interested Party L.H. Charney 1410 Broadway LLC jstang@pszjlaw.com
Jeffrey M. Reisner on behalf of Interested Party Courtesy NEF jreisner@irell.com
Margreta M Morgulas on behalf of Debtor Transprint USA, Inc. mmorgulas@stutman.com
Margreta M Morgulas on behalf of Debtor Colorep, Inc. mmorgulas@stutman.com
Michael S Neumeister on behalf of Debtor Colorep, Inc. mneumeister@stutman.com
Michael S Neumeister on behalf of Debtor Transprint USA, Inc. mneumeister@stutman.com
Michael S Neumeister on behalf of Debtor In Possession Transprint USA, Inc. mneumeister@stutman.com
Nicola G Suglia, Esq on behalf of Creditor Canon Financial Services, Inc. c/o Fleischer, Fleischer & Suglia nsuglia@fleischerlaw.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
Stephan W Milo on behalf of Interested Party Courtesy NEF smilo@wawlaw.com, psilling@wawlaw.com
United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov TOTAL: 19

1 GARY E. KLAUSNER (STATE BAR NO. 69077)
2 MICHAEL S. NEUMEISTER (STATE BAR NO. 274220), Members of
3 **STUTMAN, TREISTER & GLATT**
4 **PROFESSIONAL CORPORATION**
5 1901 Avenue of the Stars, 12th Floor
6 Los Angeles, CA 90067
7 Telephone: (310) 228-5600
8 Telecopy: (310) 228-5788
9 Email: gklausner@stutman.com
10 mneumeister@stutman.com



11 Reorganization Counsel
12 for Debtors and Debtors in Possession

CHANGES MADE BY COURT

13 **UNITED STATES BANKRUPTCY COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **LOS ANGELES DIVISION**

16 In re)
17)
18 COLOREP, INC.)
19 A California corporation, et al.,)
20)
21 Debtors.)
22 Tax I.D. Nos. 94-3055026 (Colorep, Inc.))
23 And 54-1200596 (Transprint USA, Inc.))

Case No. 13-bk-27689-WB
Chapter 11
(Jointly Administered)

**ORDER: (A) AUTHORIZING THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS'
ASSETS FREE AND CLEAR OF LIENS,
CLAIMS, ENCUMBRANCES, AND OTHER
INTERESTS, EXCEPT AS PROVIDED IN
THE ASSET PURCHASE AGREEMENT;
(B) AUTHORIZING AND APPROVING
ASSET PURCHASE AGREEMENT;(C)
APPROVING THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN OF THE
DEBTORS' EXECUTORY CONTRACTS
AND UNEXPIRED LEASES RELATED
THERE TO; AND (D) GRANTING RELATED
RELIEF**

Hearing Date

Date: October 3, 2013
Time: 10:00 a.m. PDT
Location: Courtroom 1475
255 East Temple Street
Los Angeles, CA 90012

1 This matter is before the Court on the motion of the above-captioned debtors and
2 debtors in possession (collectively, the "**Debtors**") for the entry of an order pursuant to sections 105,
3 363, and 365 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rules 2002, 6004,
4 6005, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and
5 Rules 2002-1, 6004-1(b) 9013-1-4 of the Local Bankruptcy Rules of the United States Bankruptcy
6 Court for the Central District of California (the "**Local Rules**"): (a) approving the sale (the "**Sale**")
7 of the assets of Colorep, Inc. ("**Colorep**") and Transprint USA, Inc. ("**Transprint**") to the Purchaser
8 (as such term is defined herein), pursuant to the terms of that certain Asset Purchase Agreement
9 between the Debtors and Beta Color, LLC ("**Beta**") as Sellers, and the Purchaser, as Purchaser, dated
10 as of October 4, 2013 (b) approving the Sale of the Acquired Assets free and clear of all liens,
11 claims, encumbrances and other interests; (c) approving the assumption and assignment of certain
12 contracts that are to be assumed and assigned as part of the Sale; and (d) granting related relief [Dkt.
13 No. 69] (the "**Sale Procedures Motion**"); the Court having considered the Sale Procedures Motion
14 and the *Supplemental Memorandum of Points and Authorities in Support of Debtor's Motion for*
15 *Order Pursuant to Bankruptcy Code Sections 105, 363, and 365 Approving Sale of the Debtors'*
16 *Assets Free and Clear of Interests* [Dkt. No. 203] (the "**Supplemental Memorandum**"¹, and
17 together with the Sale Procedures Motion, the "**Sale Motion**"), and the declarations of Robert D.
18 Katz [Dkt. No. 205] (the "**Katz Declaration**"), Gabriel Fried [Dkt. No. 204] (the "**Fried**
19 **Declaration**"), and Daniel Fuller [Dkt Nos. 206 and 208] (the "**Buyer Declaration**"); and the Court
20 having heard statements of counsel and the evidence presented in support of the relief requested by
21 the Debtors in the Sale Motion at a hearing before the Court on October 3, 2013 (the "**Sale**
22 **Hearing**"); and it appearing that the Court has jurisdiction over this matter; and it further appearing
23 that the legal and factual bases set forth in the Sale Motion and at the Sale Hearing establish just
24 cause for the relief granted herein; and after due deliberation thereon,

25
26
27 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them
28 in the Supplemental Memorandum.

1 THE COURT HEREBY FINDS AND DETERMINES THAT:

2 **I. JURISDICTION, FINAL ORDER AND STATUTORY PREDICATES**

3 A. The Court has jurisdiction to hear and determine the Sale Motion pursuant to
4 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C.
5 § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in the Court pursuant to 28 U.S.C.
6 §§ 1408 and 1409.

7 B. This Order constitutes a final and appealable order within the meaning of 28
8 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent
9 necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as
10 made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for
11 delay in the implementation of this Order, cause exists to waive all applicable stays and expressly
12 directs entry of judgment as set forth herein.

13 C. The statutory predicates for the relief requested in the Sale Motion are
14 sections 105(a), 363(b), (f), and (m), and 365 of the Bankruptcy Code and Bankruptcy Rules
15 2002(a)(2), 6004(a), (b), (c), (e), (f) and (h), 6006(a), (c) and (d), 9007 and 9014.

16 D. The Court entered the *Order: (A) Approving Sale and Bid Procedures for the*
17 *Sale of Substantially All Assets of the Debtor; (B) Scheduling an Auction and Hearing to Consider*
18 *the Sale and Approve the Form and Manner of Notice Related Thereto; (C) Establishing Procedures*
19 *Relating to the Assumption and Assignment of Certain Contracts; and (D) Granting Other Related*
20 *Relief* on August 12, 2013 [Dkt. No. 109] (the "**Sale Procedures Order**"), pursuant to which the
21 Court approved certain procedures for the Debtors with their professionals to, among other things,
22 market and provide notice of a sale of the Debtors' assets and the potential assumption and
23 assignment of executory contracts and unexpired leases to interested parties (the "**Sale**
24 **Procedures**").

25 E. The findings of fact and conclusions of law set forth herein constitute the
26 Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable
27 to this proceeding pursuant to Bankruptcy Rule 9014.

28

1 F. To the extent any of the following findings of fact constitute conclusions of
2 law, they are hereby adopted as such. To the extent any of the following conclusions of law
3 constitute findings of fact, they are hereby adopted as such. Any findings of fact or conclusions of
4 law stated by the Court on the record at the Sale Hearing are hereby incorporated, to the extent they
5 are not inconsistent herewith.

6 G. ~~In the absence of a stay pending appeal,~~ The Purchaser will be acting in good
7 faith pursuant to section 363(m) of the Bankruptcy Code in closing the transaction contemplated by
8 the Final APA (as such term is defined herein) at any time on or after entry of this Order **in the**
9 **absence of a stay pending appeal**, and cause has been shown as to why this Order should not be
10 subject to the stay provided by Bankruptcy Rules 6004(h) and 6006(d).

11 **II. NOTICE OF THE SALE, AUCTION AND THE CURE AMOUNTS**

12 A. Actual written notice of the Sale Hearing, the Auction, the Sale Motion, the
13 Sale, the assumption, assignment and sale of the Assigned Contracts and a reasonable opportunity to
14 object or be heard with respect to the Sale Motion and the relief requested therein and granted by this
15 Order has been afforded to all known interested persons and entities, including, but not limited to the
16 following parties (the "**Notice Parties**"): (i) the United States Trustee; (ii) counsel to Fuller Smith
17 Capital Management LLC ("**Fuller Smith**"), as DIP Agent (the "**DIP Agent**"), Saviva FS 1. L.P. as
18 DIP Lender (the "**DIP Lender**") and Meserole, LLC ("**Meserole**"), as Pre-Petition Lender;
19 (iii) counsel to all known parties asserting an interest in or lien on the Acquired Assets; (iv) all
20 taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal
21 Revenue Service; (v) the United States Attorneys' office; (vi) all parties that have requested special
22 notice pursuant to Bankruptcy Rule 2002; (vii) all non-Debtor parties to each executory contract and
23 unexpired lease to which either Debtor is a party (each a "**Contract Counterparty**"); (viii) all
24 potential bidders previously identified or otherwise known to the Debtors; and (ix) all environmental
25 authorities in the states or other applicable jurisdictions in which the Debtors do business.

26 B. In accordance with the provisions of the Sale Procedures Order, the Debtors
27 have served notice (the "**Cure Notice**") [Dkt. Nos. 161, 173, 182] upon Purchaser and the Contract
28 Counterparties: (i) that the Debtors seek to assume and assign certain executory contracts and

1 unexpired leases (the "**Executory Contracts**" and pursuant to the Final APA those that are listed by
2 Purchaser as Executory Contracts to be assumed by Debtors and sold and assigned to Purchaser at
3 Closing, the "**Assigned Contracts**") on October 4, 2013, or such later date mutually agreed by the
4 Sellers and Purchaser (the "**Closing Date**"); and (ii) of the relevant cure amounts and (iii) of the
5 provision of adequate assurances of future performance. Pursuant to Bankruptcy Rule 6006(c), the
6 Court finds that the service of such Cure Notice was good, sufficient and appropriate under the
7 circumstances and no further notice need be given in respect of establishing a cure amount for the
8 Assigned Contracts. Purchaser and the Contract Counterparties have had an opportunity to object to
9 the cure amounts set forth in the Cure Notice.

10 C. The Debtors have articulated good and sufficient reasons for the Court to
11 grant the relief requested in the Sale Motion regarding the Sale and the sale process.

12 D. The Cure Notice provided Purchaser and the Contract Counterparties with
13 proper notice of the potential assumption and assignment of the Assigned Contracts, any cure
14 amount relating thereto, and the provision of adequate assurances of future performance, and the
15 procedures set forth therein with regard to any such cure amount to satisfy the provisions of
16 Bankruptcy Code section 365 and Bankruptcy Rule 6006.

17 E. As evidenced by the affidavits of service previously filed with the Court,
18 proper, timely, adequate, and sufficient notice of the Sale Motion, Sale Procedures, Auction, Sale
19 Hearing, and Sale has been provided to all interested parties in accordance with sections 102(1), 363
20 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014. The Debtors
21 also have complied with all obligations to provide notice of the Auction, Sale Hearing, and Sale
22 required by the Sale Procedures Order. The notices described in paragraphs A to D above and this
23 paragraph E were good, sufficient and appropriate under the circumstances, and no other or further
24 notice of the Sale Motion, Auction, Sale Hearing, Sale, or assumption, assignment and sale of the
25 Assigned Contracts is required.

26 F. The disclosures made by the Debtors concerning the Sale Motion, APA,
27 Auction, Sale, and Sale Hearing, including but not limited to the Katz Declaration, Fried
28 Declaration, and Buyer Declaration (the "**Affidavits**") are good, complete and adequate.

1 **III. GOOD FAITH OF PURCHASER**

2 A. Meserole, in its capacity as the lender under the Prepetition Loan (the
3 "**Prepetition Lender**"), and Colorep, as borrower and its wholly-owned subsidiaries, as guarantors,
4 are parties to that certain Amended and Restated Loan and Security Agreement dated as of August,
5 2011 (as the same may have been amended, modified or restated from time to time, the "**Prepetition**
6 **Loan Agreement**") pursuant to which the Prepetition Lender agreed to lend on a revolving basis up
7 to the principal sum of \$25 million under the terms and conditions set forth therein. As of the
8 Petition Date, Prepetition Lender asserts that Colorep was indebted to it in an amount not less than
9 \$20 million ("**Prepetition Claim**". The Prepetition Lender asserts **that it holds** valid, enforceable,
10 unavoidable, perfected, first priority liens on and security interests in substantially all assets of the
11 Debtors, now owned and after acquired, and the proceeds thereof, as further detailed in the Pre-
12 petition Loan Agreement. The cash proceeds of the Prepetition Collateral constitute cash collateral,
13 as defined by section 363(a) of the Bankruptcy Code ("**Cash Collateral**"), in which the Prepetition
14 Lender asserts an interest. Pursuant to the Final DIP Order any challenge to the perfection of the
15 Prepetition Liens (as such term is defined in the Final DIP Order) on the Prepetition Collateral (as
16 such term is defined in the Final DIP Order), whether by complaint, motion or other action, and
17 whether by the Debtors, any Committee or assignee, was to be commenced not later than 8:00 a.m.
18 on September 19, 2013, or all such challenges shall be deemed waived and the Prepetition Liens
19 shall be deemed perfected. As described in the Supplemental Memorandum, the Debtors raised
20 certain challenges with the Pre-Petition Lender prior to the deadline with respect to certain aspects of
21 the Prepetition Liens and such challenges are preserved, and not deemed waived. As also described
22 in the Supplemental Memorandum, the Pre-Petition Lender has disputed certain of the challenges
23 and asserted they lack merit.

24 B. The DIP Agent, for itself and on behalf of the DIP Lenders, holds valid,
25 enforceable, unavoidable, perfected, priming first priority liens on and security interests in
26 substantially all assets of the Debtors, now owned and after acquired, and the proceeds thereof, as
27 further detailed in the Final DIP Order.

28

1 C. An Asset Purchase Agreement (the "Bid APA") was submitted jointly by
2 Meserole and the DIP Agent wherein they made a credit bid in the aggregate amount of \$20 million
3 dollars consisting of the DIP Agent and the DIP Lender Credit Bidding the amount outstanding
4 under the DIP Financing (the "DIP Credit Bid Amount") and Meserole, as Pre-Petition Lender,
5 Credit Bidding that portion of its Prepetition Claim equal to the sum of \$20 million minus the DIP
6 Credit Bid Amount. The Bid APA also provided for the payment of \$25,000 cash to the estates and
7 the assumption by the Purchaser of the Assumed Liabilities. Meserole and DIP Agent are referred to
8 collectively as "Purchaser" under the APA. Purchaser intends to assign the credit bids to AirDye
9 Solutions, LLC ("**AirDye**"), which shall be the purchaser upon such assignment at or before closing
10 of the transactions contemplated by the Final APA. As used herein, "**Purchaser**" shall refer to
11 Meserole and DIP Agent, or AirDye as their interests may appear and as applicable.

12 D. The Final APA as subsequently negotiated and agreed to between the parties
13 provides for the following consideration: (a) a credit bid (the "**Credit Bid**") in the amount of \$20
14 million consisting of (i) a credit bid by the DIP Agent of \$250,000 of the amount outstanding under
15 the DIP Financing (the "DIP Financing Credit Bid"); and (ii) a credit bid by Meserole of the
16 outstanding amount owing under the Prepetition Loan in the amount equal to \$20 million less the
17 DIP Financing Credit Bid, which amount is \$19,750,000; (b) the Purchaser's payment of all Cure
18 Amounts for all Assigned Contracts and the assumption of the "Assumed Liabilities," as that term is
19 defined in the Final APA; and (c) the payment of \$25,000. The Assumed Liabilities under the Final
20 APA include, without limitation, (i) certain accrued but unpaid operating expenses and payables
21 incurred by the Debtors after the Petition Date and before the Closing Date in the ordinary course of
22 business, (ii) certain pre-petition wage claims and PTO obligations owed to the Debtors' employees
23 and (iv) certain other administrative expenses, including certain professional fees, all as more fully
24 set forth in the Final APA, including those expenses and obligations listed on Schedule 2.3(f) to
25 Final APA. The remaining amount of the DIP Financing and Prepetition Loan not satisfied pursuant
26 to the Credit Bid has been set at a passive unsecured claim in the amount of \$2,500,000 (the
27 "Remaining Lender Claim") and be treated solely as unsecured claim against the Debtors and their
28 respective estates. Any liens or security interests of the Pre-Petition Lender, the DIP Agent or the

1 DIP Lender against the assets of the Debtors owned or acquired by the Debtors after the Sale shall be
2 released, and any secured, administrative, superpriority or priority claim associated with the
3 Prepetition Loan or the DIP Financing shall also be released. The Remaining Lender Claim will
4 have no rights or remedies against the Debtors or their respective estates inside or outside of
5 bankruptcy or against any successor to the Debtors in the event the Debtors' cases are dismissed
6 except that (i) the holder of the Remaining Lender Claim may share in any distribution to general
7 unsecured creditors as a general unsecured creditor if and when such distributions are made to
8 unsecured creditors by the Debtors, their estates or any legal representative thereof, and (ii) the
9 holder of the Remaining Lender Claim may assert such unsecured claims as a defense, offset,
10 recoupment or similar right, defense or remedy against any Person asserting a claim or cause of
11 action that is derivative of the Sellers' rights or those of the Debtors' estates. The Final APA also
12 provides for additional releases of claims being given by Meserole, the DIP Agent and certain other
13 parties.

14 E. The Purchaser is not an "insider" of the Debtors, as that term is defined in
15 section 101(31) of the Bankruptcy Code.

16 F. Purchaser is purchasing the Acquired Assets in good faith and is a good faith
17 buyer within the meaning of section 363(m) of the Bankruptcy Code and is, therefore, entitled to the
18 full protection of that provision, and otherwise has proceeded in good faith in all respects in
19 connection with this proceeding in that, inter alia: (a) Purchaser recognized that the Debtors were
20 free to deal with any other party interested in acquiring the Acquired Assets; (b) Purchaser complied
21 with the provisions in the Sale Procedures Order; (c) Purchaser agreed to subject its Credit Bid to the
22 competitive bidding procedures set forth in the Sale Procedures Order; (d) all payments to be made
23 by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection
24 with the Sale have been disclosed; (e) Purchaser has not violated section 363(n) of the Bankruptcy
25 Code by any action or inaction; (f) no common identity of directors or controlling equity holders
26 exists between the Purchaser and any of the Debtors; and (g) the negotiation and execution of the
27 final purchase agreement ("**Final APA**," which was filed with the Court as Dkt No.214, and which is
28 based upon the Bid APA, but incorporates changes negotiated by the Debtors following submission

1 of the Bid APA by the Bid Deadline) and any other agreements or instruments related thereto were
2 at arms' length and in good faith.

3 **IV. HIGHEST OR BEST OFFER**

4 A. The Debtors solicited offers to acquire the Acquired Assets from a wide
5 variety of parties. In addition to such solicitations, the Debtors scheduled an auction in accordance
6 with the provisions of the Sale Procedures Order. The Auction would have afforded a full, fair and
7 reasonable opportunity for any person or entity to make a higher or otherwise better offer to
8 purchase the Acquired Assets. The Auction was duly noticed. However, by virtue of the Debtors
9 timely receipt of only the Bid APA by the Bid Deadline, the Auction was cancelled, whereupon the
10 Debtors endeavored to negotiate with the Purchaser the Final APA.

11 B. The Final APA constitutes the highest and best offer for the Acquired Assets,
12 and will provide a greater recovery for the Debtors' estate than would be provided by any other
13 available alternative. The Debtors' determination that the Final APA constitutes the highest and best
14 offer for the Acquired Assets constitutes a valid and sound exercise of the Debtors' business
15 judgment.

16 C. The Final APA represents a fair and reasonable offer to purchase the Acquired
17 Assets under the circumstances of these chapter 11 cases. No other person or entity or group of
18 entities has offered to purchase the Acquired Assets for greater economic value to the Debtors'
19 estate than the Purchaser.

20 D. Approval of the Sale Motion and the Final APA and the consummation of the
21 transactions contemplated thereby is in the best interests of the Debtors, their creditors, their
22 shareholders, their estates and other parties in interest.

23 E. The Debtors have demonstrated compelling circumstances and a good,
24 sufficient, and sound business purpose and justification to enter into the Final APA, sell the
25 Acquired Assets pursuant thereto and assume and assign the Assigned Contracts and such actions are
26 an appropriate and reasonable exercise of the Debtors' business judgment. The Debtors have also
27 demonstrated compelling circumstances and a good, sufficient, and sound business purpose and
28 justification for the Sale prior to, and outside of, a plan of reorganization.

1 **V. NO FRAUDULENT TRANSFER**

2 A. The consideration provided by the Purchaser pursuant to the Final APA,
3 including without limitation the Credit Bid and the assumption of the Assumed Liabilities, is fair and
4 adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy
5 Code and under the laws of the United States, any state, territory, possession, or the District of
6 Columbia in exchange for the Acquired Assets.

7 **VI. VALIDITY OF TRANSFER**

8 A. The Debtors have full corporate power and authority to execute and deliver
9 the Final APA and all other documents contemplated thereby, and no further consents or approvals
10 are required for the Debtors to consummate the transactions contemplated by the Final APA, except
11 as otherwise set forth in the Final APA.

12 B. The transfer of each of the Acquired Assets by the Debtors to the Purchaser
13 will be as of the Closing Date a legal, valid, and effective transfer of such assets, and vests or will
14 vest the Purchaser with all right, title, and interest of the Debtors to the Acquired Assets free and
15 clear of all liens and Claims (as defined below) (collectively, "**Liens**") accruing, arising or relating to
16 any time prior to the Closing Date, except for any permitted liens (the "**Permitted Liens**") and the
17 Assumed Liabilities under the Final APA.

18 **VII. SECTION 363(F) IS SATISFIED**

19 A. The Purchaser would not have entered into the Final APA and would not
20 consummate the transactions contemplated thereby (by paying the Purchase Price and assuming the
21 Assumed Liabilities) if the sale of the Acquired Assets by the Debtors to the Purchaser, and the
22 assumption, assignment and sale of the Assigned Contracts to the Purchaser, were not, except as
23 otherwise provided in the Final APA with respect to the Assumed Liabilities and Permitted Liens,
24 free and clear of all Liens and Claims (as defined below) of any kind or nature whatsoever, or if the
25 Purchaser would, or in the future could (except and only to the extent expressly provided in the Final
26 APA and with respect to the Assumed Liabilities and Permitted Liens), be liable for any of such
27 Liens or Claims, including, but not limited to, Liens or Claims in respect of the following: (1) all
28 mortgages, deeds of trust and security interests; (2) any pension, welfare, compensation or other

1 employee benefit plans, agreements, practices and programs, including, without limitation, any
2 pension plan of any Debtor; (3) any other employee, worker's compensation, occupational disease or
3 unemployment or temporary disability related claim, including, without limitation, claims that might
4 otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as
5 amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the
6 Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment
7 and Retraining Act of 1988, (g) the Age Discrimination and Employee Act of 1967 and Age
8 Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i)
9 the Consolidated Omnibus Budget Reconciliation Act of 1985, (j) the California Labor Code; (k)
10 state discrimination laws, (l) state unemployment compensation laws or any other similar state laws,
11 or (m) any other state or federal benefits or claims relating to any employment with any of the
12 Debtors or any of their respective predecessors; (4) any bulk sales or similar law; (5) any tax statutes
13 or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; (6) any
14 Environmental Law(s) (as defined in the Final APA; and (7) any theories of successor liability.

15 B. The Debtors may sell the Acquired Assets free and clear of all Liens and
16 Claims against the Debtors, their estates or any of the Acquired Assets (except for any Assumed
17 Liabilities and Permitted Liens under the Final APA) because, in each case, one or more of the
18 standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders
19 of Liens or Claims against the Debtors, their estates or any of the Acquired Assets, who did not
20 object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have
21 consented pursuant to section 363(f)(2) of the Bankruptcy Code.

22 **VIII. ASSUMPTION AND ASSIGNMENT OF THE EXECUTORY CONTRACTS AND**
23 **UNEXPIRED LEASES**

24 A. The assumption and assignment of the Assigned Contracts pursuant to the
25 terms of this Order is integral to the Final APA and is in the best interests of the Debtors and their
26 estates, creditors and other parties in interest, and represents the reasonable exercise of sound and
27 prudent business judgment by the Debtors.

28

1 B. The amount set forth on the Cure Notice are the sole amounts necessary under
2 sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all monetary defaults
3 and pay all actual pecuniary losses under the Assigned Contracts (the "**Cure Amounts**").

4 C. Pursuant to the terms of the Final APA, Purchaser will: (i) cure and/or provide
5 adequate assurance of cure of any monetary default existing prior to the Closing Date under any of
6 the Assigned Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code; (ii)
7 provide compensation or adequate assurance of compensation to any party for actual pecuniary loss
8 to such party resulting from a default prior to the Closing Date under any of the Assigned Contracts,
9 within the meaning of section 365(b)(1)(B) of the Bankruptcy Code; and (iii) provide adequate
10 assurance of its future performance under the relevant Assigned Contracts within the meaning of
11 sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

12 **IX. COMPELLING CIRCUMSTANCES FOR AN IMMEDIATE SALE**

13 A. To enhance the Debtors' level of liquidity, to reduce the amount of
14 postpetition debtor-in-possession financing borne by the Debtors, and to maximize the amount of
15 funding available to provide for a timely exit from these chapter 11 cases, it is essential that the Sale
16 of the Acquired Assets occur within the time constraints set forth in the Final APA. Time is of the
17 essence in consummating the Sale.

18 B. As of September 30, 2013, the DIP Financing has matured and the DIP
19 Lender advanced aggregate DIP Loan advances totaling \$2.5 million. The DIP Agent agreed to
20 forbear from exercising rights and remedies under the Final DIP Order and the Pre-Petition Lender
21 has consented to the use of its cash collateral through October 4, 2013. The Debtors currently do not
22 have access to any additional financing. As a result, the Debtors and their estates have an immediate
23 need to close the Sale as soon as possible and will be harmed if this Order is not entered and all
24 applicable stays respecting the effect and enforcement of this Order are not waived permitting the
25 Closing to occur promptly following the entry of this Order.

26 C. Given all of the circumstances of these chapter 11 cases and the adequacy and
27 fair value of the Purchase Price under the Final APA, the proposed Sale of the Acquired Assets to
28

1 Purchaser constitutes a reasonable and sound exercise of the Debtors' business judgment and should
2 be approved.

3 D. The consummation of the transaction is legal, valid and properly authorized
4 under all applicable provisions of the Bankruptcy Code, including, without limitation, sections
5 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements of such
6 sections have been complied with in respect of the transaction.

7 NOW, THEREFORE, IT IS HEREBY **ORDERED, ADJUDGED AND DECREED**
8 THAT:

9 **General Provisions**

10 1. The relief requested in the Sale Motion is granted and approved, and the Sale
11 contemplated thereby is approved as set forth in this Order.

12 2. This Court's findings of fact and conclusions of law, set forth in the Sale
13 Procedures Order, are incorporated herein by reference.

14 3. All objections to the Sale Motion or the relief requested therein that have not
15 been withdrawn, waived, or settled as announced to the Court at the Sale Hearing or by stipulation
16 filed with the Court, and all reservations of rights included therein, are hereby overruled on the
17 merits or the interests of such objections have been otherwise satisfied or adequately provided for.

18 **Approval of the Final APA**

19 4. The Final APA and all other ancillary documents, and all of the terms and
20 conditions thereof, are hereby approved.

21 5. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are
22 authorized, empowered and directed to take any and all actions necessary or appropriate to
23 (i) consummate the Sale of each of the Acquired Assets to the Purchaser pursuant to and in
24 accordance with the terms and conditions of the Final APA, (ii) close the Sale as contemplated in the
25 Final APA and this Order, and (iii) execute and deliver, perform under, consummate, implement and
26 close fully the Final APA, together with all additional instruments and documents that may be
27 reasonably necessary or desirable to implement the Final APA and the Sale, including any other
28

1 ancillary documents, or as may be reasonably necessary or appropriate to the performance of the
2 obligations as contemplated by the Final APA and such other ancillary documents.

3 6. At the Closing, the debt constituting the Credit Bid to the extent of \$250,000
4 of the DIP Financing and \$19,750,000 of the Pre-Petition Loan shall be deemed satisfied and
5 extinguished and Debtors and their estates shall have no further obligations with respect thereto.
6 Any liens or security interests of the Pre-Petition Lender, DIP Agent or DIP Lender against the
7 assets of the Debtors owned or acquired after the Closing of the Sale shall be deemed released and
8 extinguished without the need for any further action by any party. At the Closing, Purchaser shall
9 assume the Assumed Liabilities. The Purchaser shall pay the Assumed Liabilities as such liabilities
10 and obligations become due and payable unless otherwise expressly provided with regards to terms
11 and condition of payment in the Final APA or any agreement between Purchaser and a holder of the
12 any Assumed Liability.

13 7. This Order and the Final APA (and all rights and obligations hereunder and
14 thereunder) shall be binding in all respects upon the Debtors, including the Debtors, their estates, all
15 holders of equity interests in any Debtor, all holders of any Claim(s) (whether known or unknown)
16 against any Debtor, any holders of Liens or Claims against or on all or any portion of the Acquired
17 Assets sold by the Debtors, all Contract Counter-Parties, the Purchaser and all successors and
18 assigns of the Purchaser, the Acquired Assets and any trustees, if any, subsequently appointed in any
19 of the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code of
20 any of the Debtors' cases. This Order and the Final APA shall inure to the benefit of the Debtors,
21 their estates, their creditors, the Purchaser and their respective successors and assigns.

22 **Transfer of the Acquired Assets**

23 8. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the
24 Bankruptcy Code, the Debtors are authorized, empowered and directed to transfer the Acquired
25 Assets owned by the Debtors on the Closing Date. Such Acquired Assets shall be transferred to the
26 Purchaser upon and as of the Closing Date and such transfer shall constitute a legal, valid, binding
27 and effective transfer of such Acquired Assets conveying good, marketable and insurable title to
28 Purchaser, and upon the Debtors' receipt of the Purchase Price, shall be free and clear of all Liens

1 and claims, including, without limitation, all "claims" within the meaning of sections 101(5), 102(2)
2 and 105 of the Bankruptcy Code, and all interests, encumbrances, rights of setoff, recoupment,
3 netting and deductions ("**Claims**"), except Assumed Liabilities and Permitted Liens under the Final
4 APA. Upon the Closing, the Purchaser shall take title to and possession of the Acquired Assets
5 subject only to the Assumed Liabilities and Permitted Liens. Pursuant to section 363(f) of the
6 Bankruptcy Code, the transfer of title to the Acquired Assets owned by the Debtors and the Assigned
7 Contracts shall be free and clear of (a) any and all Liens; (b) any and all Liabilities except for
8 Assumed Liabilities; and (c) any and all Claims including, without limitation, any and all claims
9 pursuant to any successor or successor-in-interest liability theory; provided, however, that the
10 Purchaser shall not be relieved of liability with respect to the Assumed Liabilities, including any
11 obligations accruing under the Assigned Contracts from and after the Closing or any obligations
12 under the Final APA.

13 9. Except as expressly provided by the Final APA with respect to Assumed
14 Liabilities and Permitted Liens, all persons and entities holding Liens, Claims or interests in all or
15 any portion of the Acquired Assets sold by the Debtors arising under or out of, in connection with, or
16 in any way relating to the Debtors, the Acquired Assets, the operation of the Debtors' business prior
17 to the Closing Date or the transfer of the Acquired Assets sold by the Debtors to the Purchaser,
18 hereby are forever barred, estopped and permanently enjoined from asserting against the Purchaser
19 or its successors or assigns, their property or the Acquired Assets, such persons' or entities' Liens or
20 Claims against the Debtors or in and to the Acquired Assets sold by the Debtors to Purchaser. On
21 the Closing Date, each creditor is authorized and directed to execute such documents in recordable
22 form and take all other actions as may be deemed by the Purchaser to be necessary or desirable to
23 release Liens or Claims on the Acquired Assets sold by the Debtors, if any, as provided for herein, as
24 such Liens or Claims may have been recorded or may otherwise exist.

25 10. Notwithstanding the above provisions, in the event any third party or parties
26 not subject to the jurisdiction of this Court challenges the Purchaser's good and marketable title with
27 respect to any Acquired Asset acquired by the Credit Bid as described herein and in Section 3.1(a) of
28 the Final APA, the holders of the DIP Liens and Pre-Petition Liens may assert such DIP Liens and

1 Pre-Petition Liens on such Acquired Asset against such party with respect to such Acquired Asset or
2 to give effect to the transactions contemplated by this Order and the Final APA with respect to such
3 Acquired Asset.

4 11. ~~All persons and entities are hereby forever prohibited and enjoined from~~
5 ~~taking any action that would adversely affect or interfere with the ability of the Debtors to sell and~~
6 ~~transfer the Acquired Assets owned by the Debtors to the Purchaser and the Purchaser taking title to,~~
7 ~~and the use and enjoyment of the Acquired Assets owned by the Debtors, in accordance with the~~
8 ~~terms of the Final APA and this Order.~~

9 12. All persons and entities that are in possession of some or all of the Acquired
10 Assets sold by the Debtors on the Closing Date are directed to surrender possession of such
11 Acquired Assets to the Purchaser or its assignee at the Closing. The Purchaser is acquiring as an
12 Acquired Asset all accounts receivables and notes receivable of the Debtors, other than to the extent
13 they are Excluded Assets. All account and note debtors are directed to remit payment on account
14 thereof after the Closing to the Purchaser.

15 13. A certified copy of this Order may be filed with the appropriate clerk and/or
16 recorded, with the recorder to act to cancel any of the Liens, Claims and other encumbrances of
17 record.

18 14. If any person or entity which has filed statements, instruments or other
19 documents or agreements evidencing Liens on, Claims or interests in, all or any portion of the
20 Acquired Assets sold by the Debtors to the Purchaser shall not have delivered to the Debtors or
21 Purchaser prior to the Closing, in proper form for filing and executed by the appropriate parties,
22 termination statements, instruments of satisfaction, releases of liens and easements, and any other
23 documents necessary or desirable to the Purchaser for the purpose of documenting the release of all
24 Liens or Claims, which the person or entity has or may assert with respect to all or any portion of
25 such Acquired Assets, the Debtors are hereby authorized and directed, and the Purchaser is hereby
26 authorized, to execute, record and file such statements, instruments, releases and other documents on
27 behalf of such person or entity with respect to such Acquired Assets.

28

1 15. This Order is and shall be binding upon and govern the acts of all persons and
2 entities, including, without limitation, all filing agents, filing officers, title agents, title companies,
3 recorders of mortgages and deeds of trust, recorders of deeds, registrars of deeds, administrative
4 agencies, governmental departments, secretaries of state, federal and local officials, and all other
5 persons and entities who may be required by operation of law, the duties of their office, or contract,
6 to accept, file, register or otherwise record or release any documents or instruments, or who may be
7 required to report or insure any title or state of title in or to any lease; and each of the foregoing
8 persons and entities is hereby directed to accept for filing any and all of the documents and
9 instruments necessary and appropriate to consummate the transactions contemplated by the Final
10 APA. Robert Katz is authorized to sign and deliver any and all documents and instruments,
11 approved by counsel for the Debtors, by any Debtor necessary or desirable to consummate the
12 transactions contemplated by the Final APA, including as required with respect to future assurances
13 as provided in Section 12.2 for a period of six months after the Closing, including without limitation
14 the Final APA.

15 **Assigned Contracts**

16 16. Upon the Closing of the Sale, the Debtors are authorized and directed to
17 assume and assign and sell the Assigned Contracts to the Purchaser free and clear of all Liens and
18 Claims, as described herein. The payment of the applicable Cure Amounts (if any) by the Purchaser
19 shall (a) effect a cure of all defaults existing thereunder as of the Closing Date, (b) compensate for
20 any actual pecuniary loss to such non-Debtor party resulting from such default, and (c) together with
21 the assumption of the Assigned Contracts by the Purchaser, constitute adequate assurance of future
22 performance thereof. The Purchaser shall then have assumed the Assigned Contracts and, pursuant
23 to section 365(f) of the Bankruptcy Code, the assignment by the Debtors of such Assigned Contracts
24 shall not be a default thereunder. After the payment of the relevant Cure Amounts by the Purchaser,
25 neither the Debtors nor the Purchaser shall have any further liabilities to the Contract Counter-
26 Parties other than the Purchaser's obligations under the Assigned Contracts that accrue and become
27 due and payable on or after the Closing Date.

28

1 17. Any provisions in any Assigned Contract that prohibits or conditions the
2 assignment of such Assigned Contract or allows the party to such Assigned Contract to terminate,
3 recapture, impose any penalty, condition on renewal or extension or modify any term or condition
4 upon the assignment of such Assigned Contract, constitute unenforceable anti-assignment provisions
5 that are void and of no force and effect. All other requirements and conditions under sections 363
6 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment and sale to the
7 Purchaser of the Assigned Contracts have been satisfied. Upon the Closing, in accordance with
8 sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested
9 with all right, title and interest of the Debtors under the Assigned Contracts.

10 18. Upon the Closing and the payment of the relevant Cure Amounts, if any, the
11 Purchaser shall be deemed to be substituted for the Debtors as a party to the applicable Assigned
12 Contract and the Debtors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from
13 any further liability under the Assigned Contracts.

14 19. Upon the payment of the applicable Cure Amount, if any, the Assigned
15 Contracts will remain in full force and effect, and no default shall exist under the Assigned Contracts
16 nor shall there exist any event or condition which, with the passage of time or giving of notice, or
17 both, would constitute such a default.

18 20. There shall be no rent accelerations, assignment fees, increases (including
19 advertising rates) or any other fees charged to Purchaser or the Debtors as a result of the assumption
20 and assignment and sale of the Assigned Contracts.

21 21. Pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code, all Contract
22 Counter-Parties are forever barred and permanently enjoined from raising or asserting against
23 Purchaser any assignment fee, default, breach or claim or pecuniary loss, or condition to assignment,
24 arising under or related to the Assigned Contracts existing as of the Closing Date or arising by
25 reason of the Closing.

26 **Other Provisions**

27 22. Effective upon the Closing Date and except as otherwise provided by
28 stipulations filed with or announced to the Court with respect to a specific matter, to the fullest

1 extent permitted by applicable law, all persons and entities are forever prohibited and permanently
2 enjoined from commencing or continuing in any manner any action or other proceeding, whether in
3 law or equity, in any judicial, administrative, arbitral or other proceeding against the Purchaser, its
4 successors and assigns, or the Acquired Assets, with respect to any (a) Lien or Claim arising under,
5 out of, in connection with or in any way relating to the Debtors, the Purchaser, the Acquired Assets,
6 or the operation of the Acquired Assets prior to the Closing of the Sale (other than Assumed
7 Liabilities and Permitted Liens), or (b) successor liability, including, without limitation, the
8 following actions: (i) commencing or continuing in any manner any action or other proceeding
9 against the Purchaser, its successors or assigns, assets or properties; (ii) enforcing, attaching,
10 collecting or recovering in any manner any judgment, award, decree or order against the Purchaser,
11 its successors, assets or properties; (iii) creating, perfecting or enforcing any Lien or Claim against
12 the Purchaser, its successors or assigns, assets or properties; (iv) asserting any setoff, right of
13 subrogation or recoupment of any kind against any obligation due the Purchaser or its successors or
14 assigns; (v) commencing or continuing any action, in any manner or place, that does not comply or
15 is inconsistent with the provisions of this Order or other orders of the Court, or the agreements or
16 actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing
17 to renew any license, permit or authorization to operate any of the Acquired Assets or conduct any of
18 the businesses operated with the Acquired Assets; provided that the provisions of this paragraph 21
19 shall not apply to or be with respect to any Acquired Assets owned by Beta.

20 23. Except for the Assumed Liabilities or as otherwise expressly set forth in the
21 Final APA, the Purchaser shall not have any liability or other obligation of the Debtors arising under
22 or related to any of the Acquired Assets. Without limiting the generality of the foregoing, and
23 except for the Assumed Liabilities and Permitted Liens provided in the Final APA, the Purchaser
24 shall not be liable for any Claims against the Debtors or any of its predecessors or affiliates, and the
25 Purchaser shall have no successor or vicarious liabilities of any kind or character, including, but not
26 limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto
27 merger or substantial continuity, whether known or unknown as of the Closing Date, now existing or
28 hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the

1 Debtors arising prior to the Closing Date, including, but not limited to, liabilities on account of any
2 taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the
3 operation of any of the Acquired Assets by the Debtors prior to the Closing. The Purchaser has
4 given substantial consideration under the Final APA for the benefit of the holders of any Liens or
5 Claims. The consideration given by the Purchaser shall constitute valid and valuable consideration
6 for the releases of any potential claims of successor liability of the Purchaser, which releases shall be
7 deemed to have been given in favor of the Purchaser by all holders of Liens or Claims against or
8 interests in the Debtors or any of the Acquired Assets owned by the Debtors.

9 24. Nothing in this Order or in any sale agreement entered into pursuant to this
10 Order: (a) releases, nullifies, precludes or enjoins the enforcement of any liability (including for
11 penalties, damages, cost recovery or injunctive relief) to a governmental unit under police and
12 regulatory statutes or regulations (including but not limited to environmental laws or regulations)
13 that any entity would be subject to as the owner, lessor, lessee, controller or operator of property that
14 is sold or transferred pursuant to this Order, (b) authorizes the transfer to the Purchaser of any
15 governmental licenses, permits, registrations, authorizations or approvals without compliance with
16 all applicable legal requirements under the law governing such transfers.

17 25. To the fullest extent permitted by applicable law, neither the Purchaser nor its
18 affiliates, successors or assigns shall, as a result of the consummation of the transactions set forth in
19 the Final APA: (i) be a successor to the Debtors or the Debtors' estates; (ii) have, de facto or
20 otherwise, merged or consolidated with or into the Debtors or the Debtors' estates; (iii) be a
21 continuation or substantial continuation of the Debtors or any enterprise of the Debtors; or (iv) be a
22 joint employer or co-employer with, or successor employer of the Debtors. The Purchaser shall not
23 assume, other than the Assumed Liabilities and Permitted Liens, nor be deemed to assume or in any
24 way be responsible for any Claim, Lien, liability or obligation of the Debtors and/or their estates.

25 26. The transactions contemplated by the Final APA are undertaken by the
26 Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the
27 Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization
28 provided herein to consummate the Sale shall not affect the validity of the Sale (including the

1 assumption and assignment and sale of the Assigned Contracts), unless such authorization and such
2 Sale are duly stayed pending such appeal. The Purchaser is a good faith buyer within the meaning of
3 section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section
4 363(m) of the Bankruptcy Code.

5 27. ~~Nothing contained in any plan of reorganization or liquidation, or order of any~~
6 ~~type or kind entered in (i) these chapter 11 cases, (ii) any subsequent chapter 7 case into which any~~
7 ~~such chapter 11 case may be converted, or (ii) any related proceeding subsequent to entry of this~~
8 ~~Order, shall conflict with or derogate from the provisions of the Final APA or the terms of this~~
9 ~~Order.~~

10 28. Notwithstanding Bankruptcy Rules 7062, 9014, 6004(h) and 6006(d), this
11 Order shall be effective immediately upon entry and the Debtors and Purchaser are authorized to
12 close the Sale immediately upon entry of this Order.

13 29. This Order approves and provides for (a) the transfer to Purchaser of all
14 claims, causes of action and avoidance claims (whether under chapter 5 of the Bankruptcy Code or
15 otherwise seeking damages or any equitable relief) of the Debtors' estates against Meserole, Debs
16 Corporation, FSCM and their respective Affiliates as provided in Section 2.1(o) of the Final APA
17 and (b) the release of the Debtors and the Debtors estates by said parties and Saviva FS 1 L.P.
18 pursuant to Section 6.3(d) of the Final APA.

19 30. No bulk sales law or any similar law of any state or other jurisdiction applies
20 in any way to the Sale.

21 31. The failure specifically to include any particular provision of the Final APA in
22 this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the
23 Court that the Final APA be authorized and approved in its entirety.

24 32. The Final APA and any related agreements, documents or other instruments
25 may be modified, amended or supplemented by the parties thereto and in accordance with the terms
26 thereof, without further order of the Court, provided that any such modification, amendment or
27 supplement does not have a material adverse effect on the Debtors' estates.

28

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*):

ORDER: (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS PROVIDED IN THE ASSET PURCHASE AGREEMENT; (B) AUTHORIZING AND APPROVING ASSET PURCHASE AGREEMENT; (C) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS AND UNEXPIRED LEASES RELATED THERETO; AND (D) GRANTING RELATED RELIEF

was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) - Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of (*date*) October 4, 2013, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

Service information continued on attached page

2. SERVED BY THE COURT VIA UNITED STATES MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Service information continued on attached page

3. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

Service information continued on attached page

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)

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
david@davidwmeadowslaw.com

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.
mmorgulas@stutman.com

Michael S Neumeister on behalf of Debtor Colorep, Inc.
mneumeister@stutman.com

Michael S Neumeister on behalf of Debtor Transprint USA, Inc.
mneumeister@stutman.com

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.
dpham@stutman.com, daniellepham@gmail.com

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@pszjlw.com

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Nicola G Suglia, Esq on behalf of Creditor Canon Financial Services, Inc. c/o Fleischer, Fleischer & Suglia
nsuglia@fleischerlaw.com
United States Trustee (LA)
ustpreion16.la.ecf@usdoj.gov

3. TO BE SERVED BY THE LODGING PARTY:

Debtors:

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

Internal Revenue Service
PO Box 21126
Philadelphia, PA 19114

Office of the US Trustee
Ron Maroko
725 S Figueroa St Ste 2600
Los Angeles, CA 90017

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
1244 Pole Branch Rd
Clover, SC 29710

L.H. Charney Associates, LLC
Attn: Bruce Block
1441 Broadway
New York, New York 10018

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

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

F 9021-1.1.NOTICE.ENTERED.ORDER

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 Fehelley 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

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

Counsel to Meserole LLC
DLA Piper LLP (US)
Attn: Frank Pepler & Bertrand Pan
550 S. Hope Street, #2300
Los Angeles, CA 90071-2678

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

Parties Asserting a Secured Interest

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Debs Corporation
8F Honmachi Center Building
2-6-10 Honmachi
Chuo-ku
Osaka 541-0053
JAPAN

BDG (Larry Levy)
559 Promontory Drive West
Newport Beach, CA 92660

Cheran Digital Imaging & Consulting
798 Burnt Gin Road
Gaffney, SC 29340

Cheran Digital Imaging & Consulting
1506 Old Georgia Hwy
Gaffney, SC 29341

Counsel to Cheran Digital Imaging &
Consulting
Dillina W. Stickley
Hoover Penrod PLC
342 South Main Street
Harrisonburg, VA 22801

Danzas Corporation
t/a DHL Global Forwarding
433B Carlisle Drive
Herndon, VA 20170

Counsel to Danzas Corporation
David H. Gougher PC
7834 Forest Hill Avenue
Richmond, VA 23225

Waste Management of Virginia
3580 S. Main Street
Harrisonburg, VA 22801

Counsel to Waste Management of Virginia
David H. Gougher PC
7834 Forest Hill Avenue
Richmond, VA 23225

Fisher Textiles, Inc.
139 Business Park Drive
Indian Trail, NC 28079

Vern & Mary Jane Michael LC
8218 Port Republic Rd
Port Republic, VA 24471-2654

Counsel to Vern & Mary Jane Michael LC
Litten & Sipe
Attn: Melisa G. Michelsen, Esq.
410 Neff Avenue
Harrisonburg, VA 22801

Roy Rolando
509 Wirt Avenue
Elkton, VA 22827

Counsel to Roy Rolando
Roland Santos
52 E Market Street
Harrisonburg, VA 22801

Riddleberger Brothers
6127 S. Valley Pike
Mt. Crawford, VA 22841

Counsel to Riddelberg Brothers
Attn: Andrew S. Baugher
Lenhart Obenshain P.C.
PO Box 1287
Harrisonburg, VA 22803-1287

Victoria Home Imp. LLC
3200 Honey Flower Ct
Chesapeake, VA 23323-1952

Summit Financial Resources
2455 East ParleysWay,
Salt Lake City, UT 84109

Faunus Group International, Inc.
80 Broad Street, 22nd Floor
New York, NY 10004

David Gelbaum, Trustee
Quercus Trust
1835 Newport Blvd, A109 - PMB 467
Costa Mesa, CA 92627

Counsel for Quercus Trust
Brian Davidoff, Esq.
Greenberg Glusker, et al.
1900 Avenue of the Stars, 21st Floor
Los Angeles, CA 90067

Dolly & Robert K. Raisler Foundation,
Inc.
2600 Netherland Avenue, #520
Bronx, NY 10463 - 4857

David Grzan
2680 Silver View Drive
Orono, MN 55356

Anne Rand
392 Rutland Avenue
Teaneck, NJ 07666

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Steven R. Jacobson
2600 Netherland Avenue, #520
Bronx, NY 10463

Sensient Imaging Technologies
777 East Wisconsin Avenue
Milwaukee, WI 53202-5304

Valley Industrial Trucks
1152 Meadowbrook Ave.
Youngstown, OH 44512

Valley Industrial Trucks (NMAC)
990 W 190th St
Torrance, CA 90502-1014

Internal Revenue Service
PO Box 145595
Cincinnati, OH 45250-5595

Kuehne & Nagel, Inc.
Stephen Savarese, Esq.
10 Exchange Place
Jersey City, NJ 07302

Counsel to Kuehne & Nagel, Inc.
Halperin Battaglia Raicht, LLP
Attn: Carrie E. Essenfeld
40 Wall Street, 37th Floor
New York, NY 10005

Compressor Parts & Repairs
8256 Rising Creek Ln
Broadway, VA 22815

Essex Temporary Service, Inc.
1501 Broadway
Suite 601
New York, NY 10036

Dougherty Equipment
591 Belle Circle
Harrisonburg, VA 22801

Geno's Coffee LLC
253 Bookerdale Rd
Waynesboro, VA 22980

Pitney Bowes Credit Corp
27 Waterview Dr
Shelton, CT 06484-4301

SIK Associates
Kaufman Management Company,
LLC
Attn: Steven J. Kaufman
450 Seventh Avenue
New York, NY 10123

Stork Prints America
3201 N 1-85
Charlotte, NC 28269

Silvius, Peggy R.
623 Gypsy Ln,
Elkton, VA, 22827

Silvius, Peggy R.
995 Floyd Cir, Mc
Gaheysville, VA, 22840

Robert Fellows
1176 Portland Dr
Harrisonburg, VA 22801-8627

Deborah Wagner
5048 Scotts Ford Road
Mount Crawford, VA 22841

Jody Markman
Markman Law, PC
55 East 59th Street
17th Floor
New York, NY 10022

Department of Justice
Environmental Enforcement Section
Attn: Alan Tenebaum
PO Box 7611
Washington, DC 20044

Interested Party
Attorney for The Dolly and Robert K.
Raisler Foundation
Jeffrey M. Reisner
Irell ;& Manella, LLP
840 Newport Center Drive, Suite 400
Newport Neach, CA 92660-6324

Colorep
Assumed Contracts List
Doc. No. 576736

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

A&H Sportswear Co. Inc.
575 Eighth Avenue
New York, NY 10018

Bruce Julian Clothier
8128 Providence Road
Charlotte, NC 28277

Carolina Casualty Insurance Company
4600 Touchton Road East
Building 100, Suite 400
Jacksonville, FL 32246

Cedar Valley Fabrics, Inc.
5 Madison Avenue
Granite Falls, NC 28630

Charles Samelson
102 Madison Avenue, 6th Fl.
New York, NY 10016

Coast Draper dba Hunter Douglas
Hospitality
6165 S. Valley View Avenue, Suite G Las
Vegas, NV 89118

Costello Tagliapietra
97 Second Place, 3'd Floor
Brooklyn, NY 11231

Custom Payroll Services
311 International Circle, Suite 140
Hunt Valley, MD 21030

D'Angelo Home Collections, Inc.
39 Warwick Turnpike
Warwick, NY 10990

Debs Corporation
Debs Building, 2-4-16 Minami
Honmachi
Chuo-ku
Osaka 541-0054, Japan

Duralee Fabrics
150 West 25th Street, Suite 1003
New York, NY 10001

Gemtex
20-21 Wagarow Road
Fairlawn, NJ 07410

Granada Sales Corp.
102 Madison Avenue
New York, NY 10016

Great West Retirement Services
Attn: Cathy Schultz
PO Box 176764
Denver, CO 80217

Hi-Tex
6745 Daly Road
West Bloomfield, MI 48322

Hunter Douglas Hospitality
1807 W. Sunnyside Avenue
Suite 2E
Chicago, IL 60640

Julie Apple, Inc.
102 Surrey Road
Charlottesville, VA 22901

Komatsu Seiren
167 Hama-machi, Nomi-city, Japan

Kravet
225 Central Avenue South
Bethpage, NY 11704

LebaTex, Inc.
504 Airport Executive Park
Nanuet, NY 10954

Lichtenburg
295 Fifth Avenue, 35th Floor
New York, NY 10016

Maya Romanoff
3435 Madison
Skokie, IL 60076

Nipkow and Kobelt, Inc.
518 8th Avenue, Floor 24
New York, NY 10018

Northeast Textiles
759 E. Lincoln Avenue
Rahway, NJ 07065

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

P. Kaufman
3 Park Avenue, 35th Floor
New York, NY 10016

Penn Prints
7110 Center Drive
Spartanburg, SC 29303

Petratex Confeccoes, S.A. Rua de Banda,
4590-049
Carvalhosa, Pacos de Ferreira
Portugal

Pioneer West LLC
PO Box 454
Dayton, VA 22821

Richloom Fabrics
261 Fifth Avenue, 12th Fl.
New York, NY 10016

Universal Convertors
9303 East 46th Street
Tulsa, OK 74145

Something Different Linen
474 Getty Avenue
Clifton, NJ 07011

Springs Window Fashion
8467 Route 405 Highway South
PO Box 500
Montgomery, PA 17752

Surface Links, LLC
251 East 51st Street
New York, NY 10022

The Hartford thru WSMT Insurance
Attn: Tony Belcastro
PO Box 1455
Bel Air, MD 21014

Ultra Pure Solutions, Inc.
325 Greenbrier Dr.
Charlottesville, VA 22901

Universal/Fabricut
9303 East 46th Street
Tulsa, OK 74145

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.